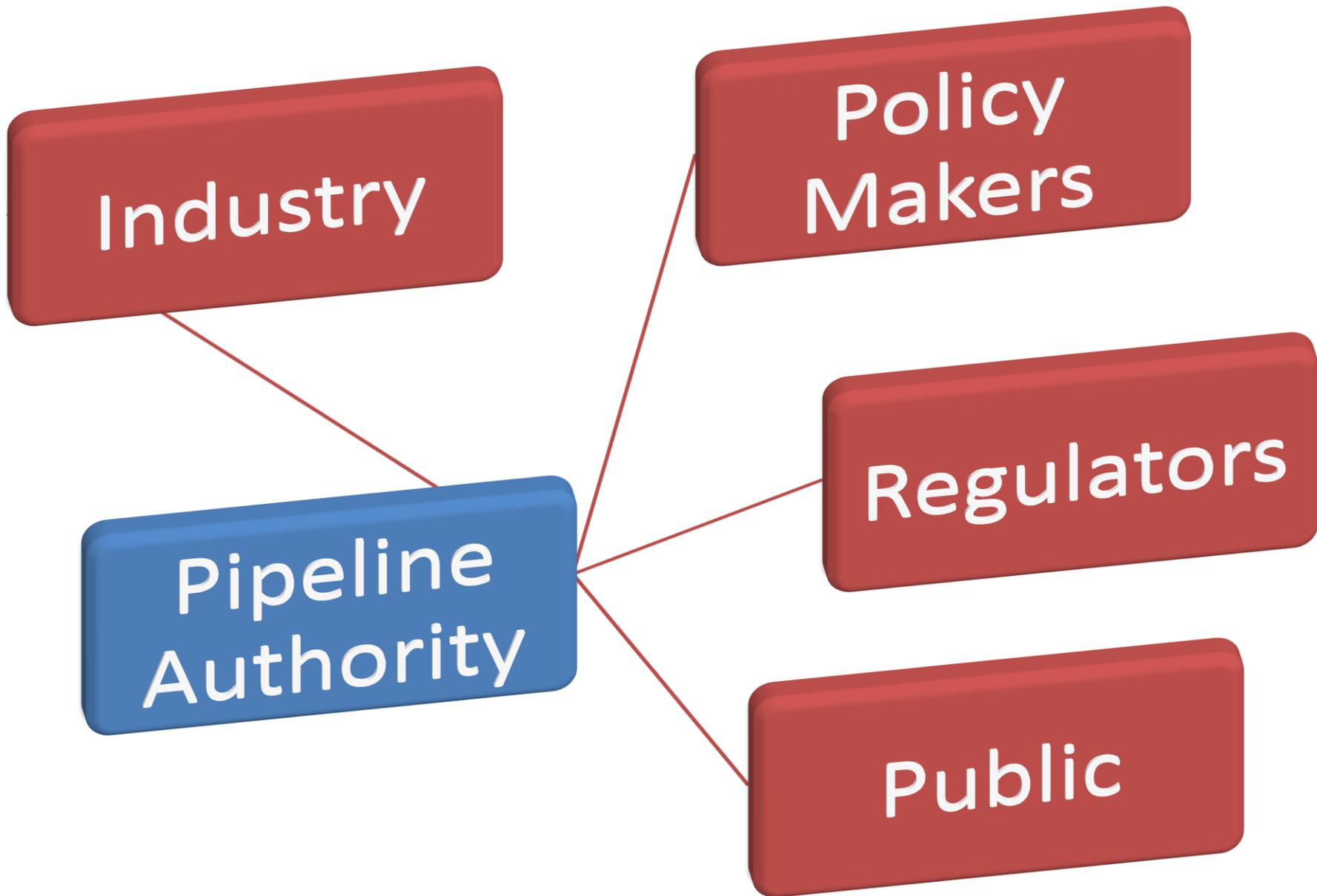


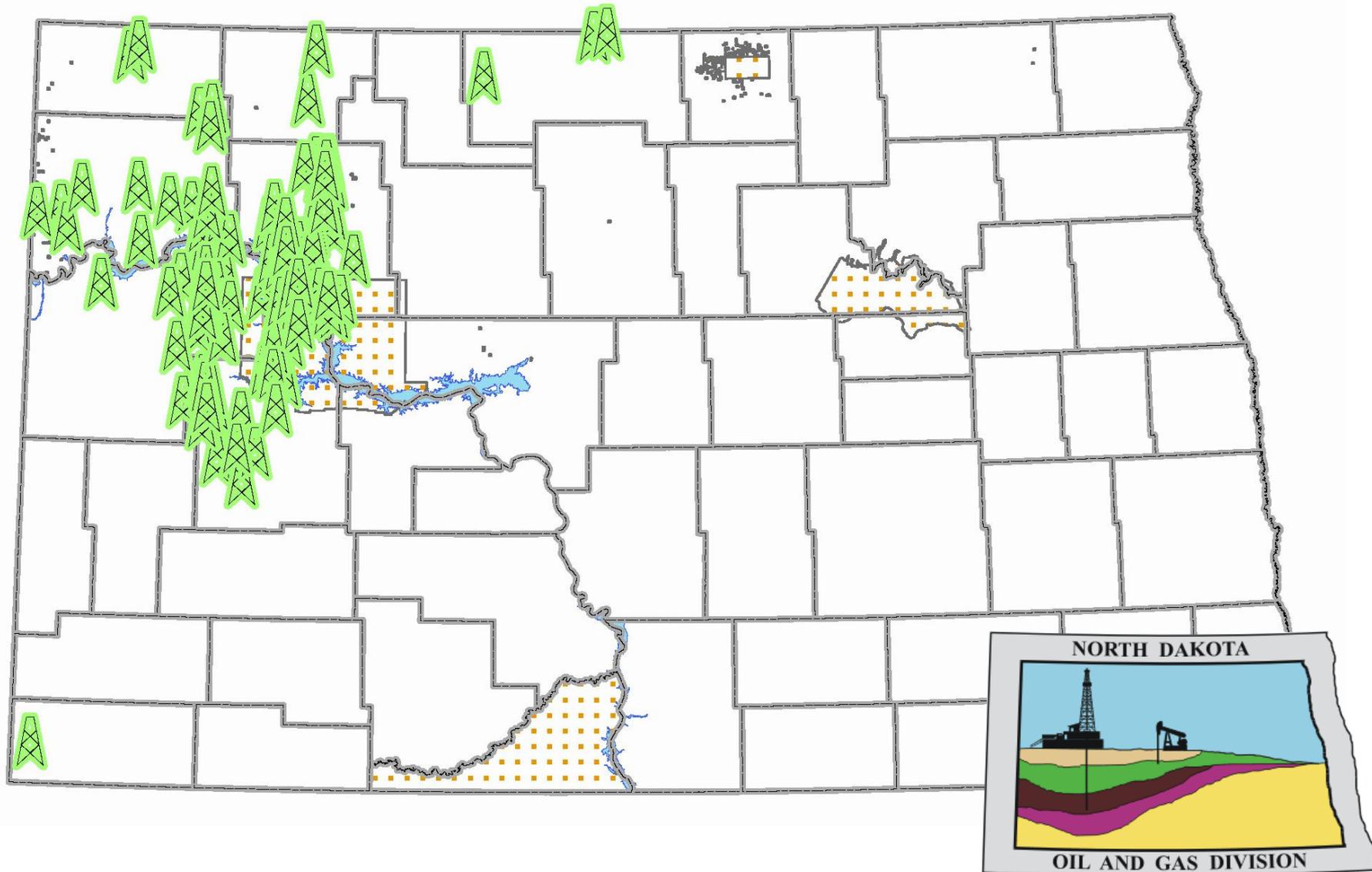


North Dakota Pipeline Authority

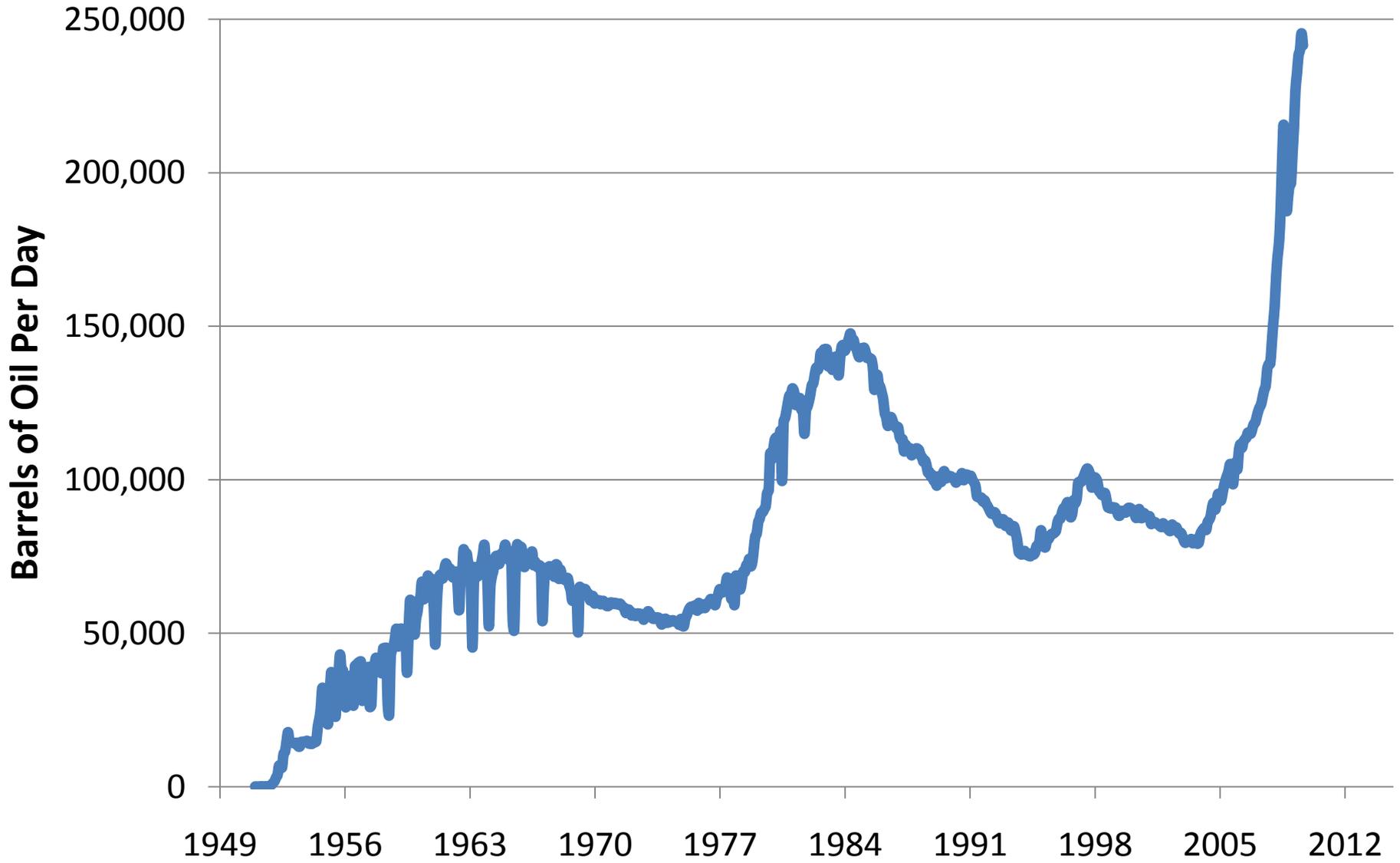
March 3, 2010 - Billings, MT



March 2, 2010: 95 Active Drilling Rigs

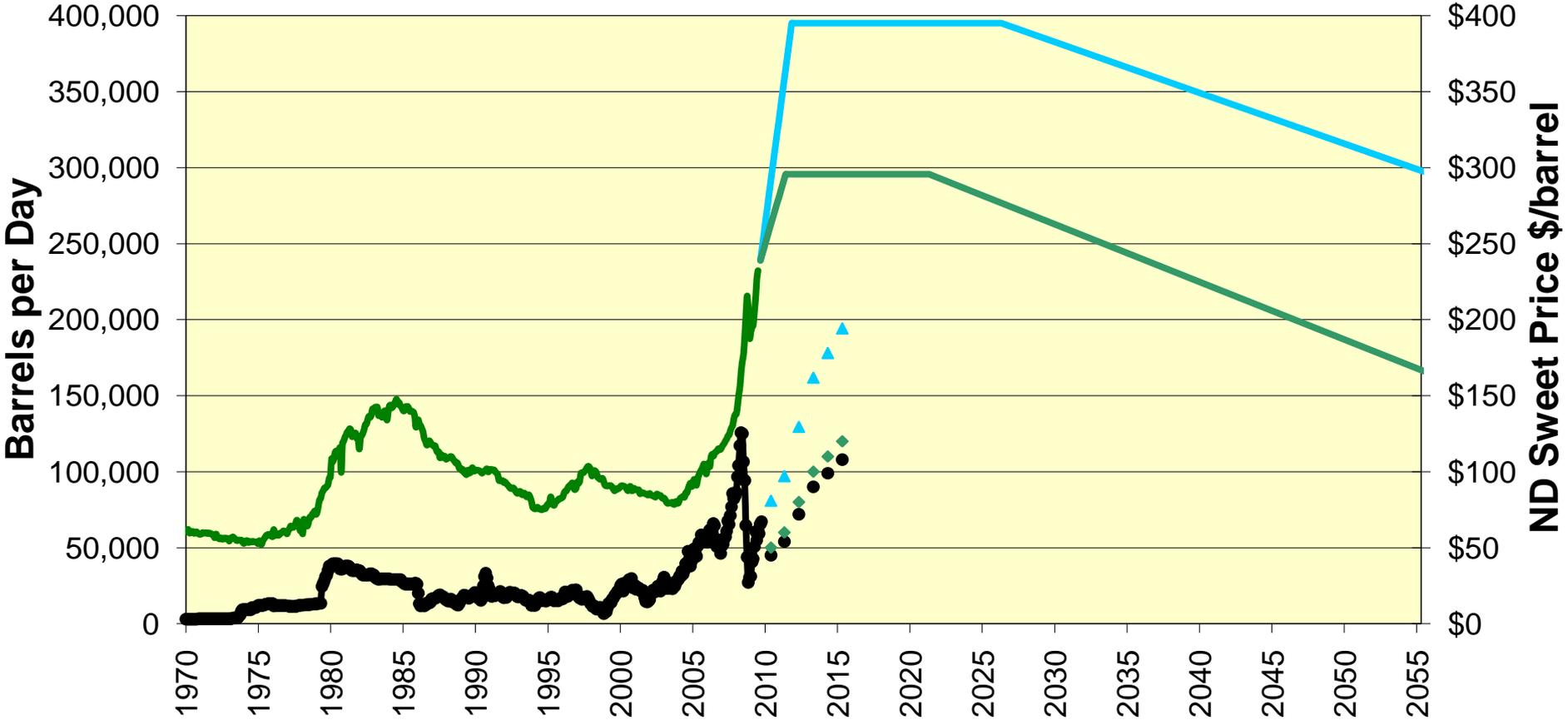


North Dakota Crude Oil



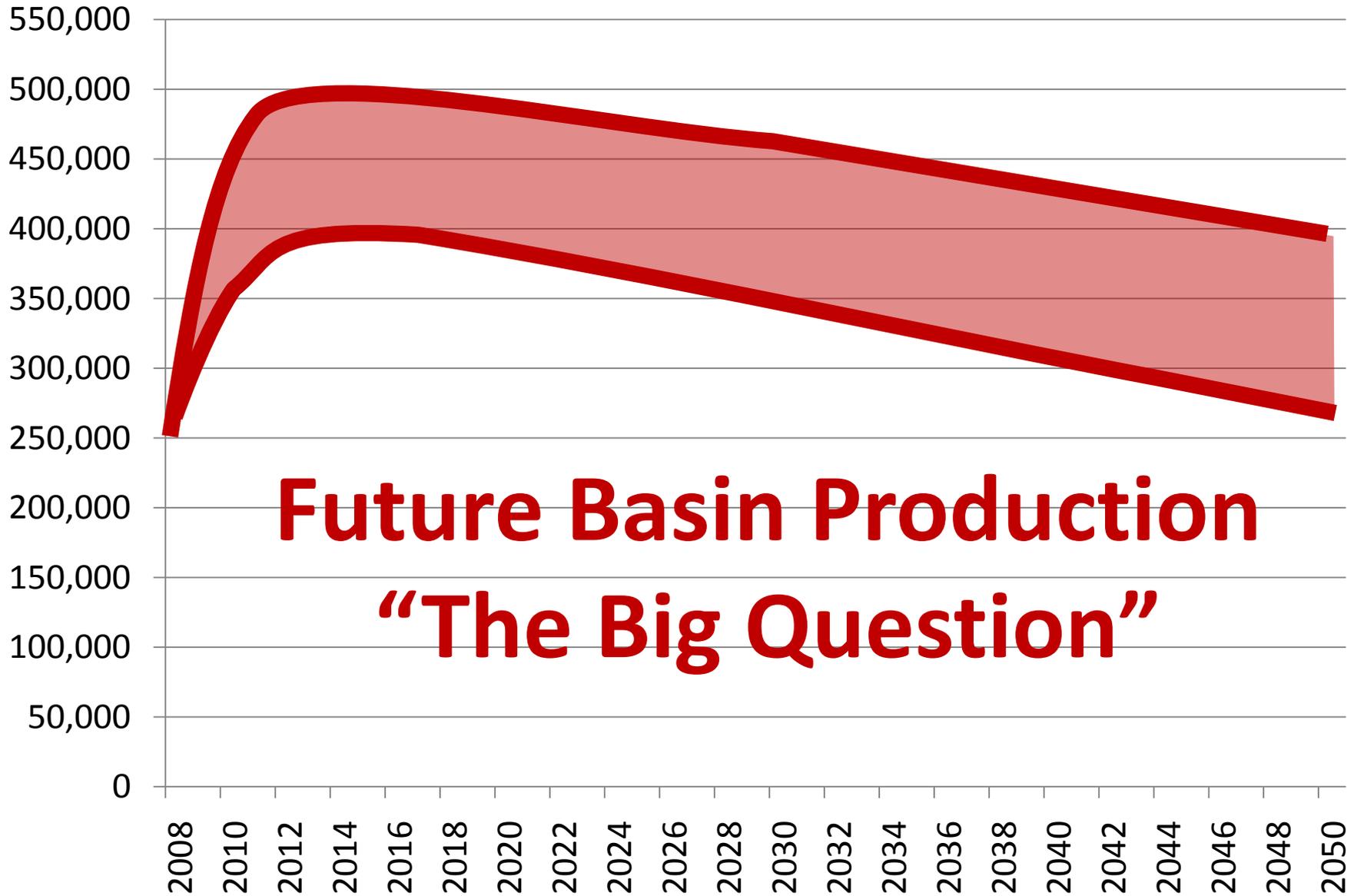


North Dakota Oil Production and Price



- ProdPriceTable!\$\$\$451
 — Bakken - Three Forks Maximum
— Bakken - Three Forks Most Likely
- \$/Barrel History & DOE-EIA Projected
 ◆ \$/Barrel Most Likely
▲ \$/Barrel Maximum

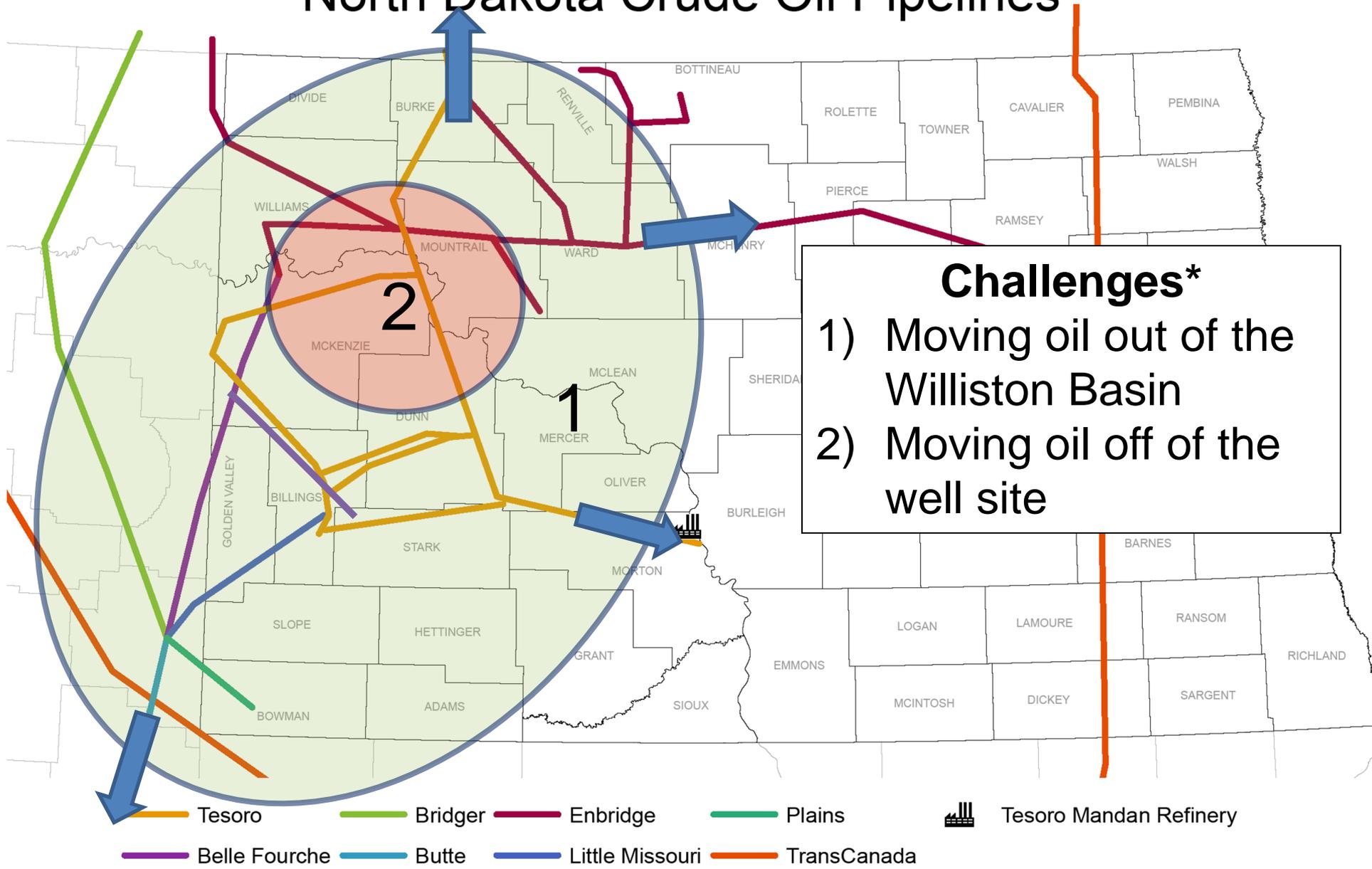
Williston Basin Production* & Export Capacity



Future Basin Production
“The Big Question”

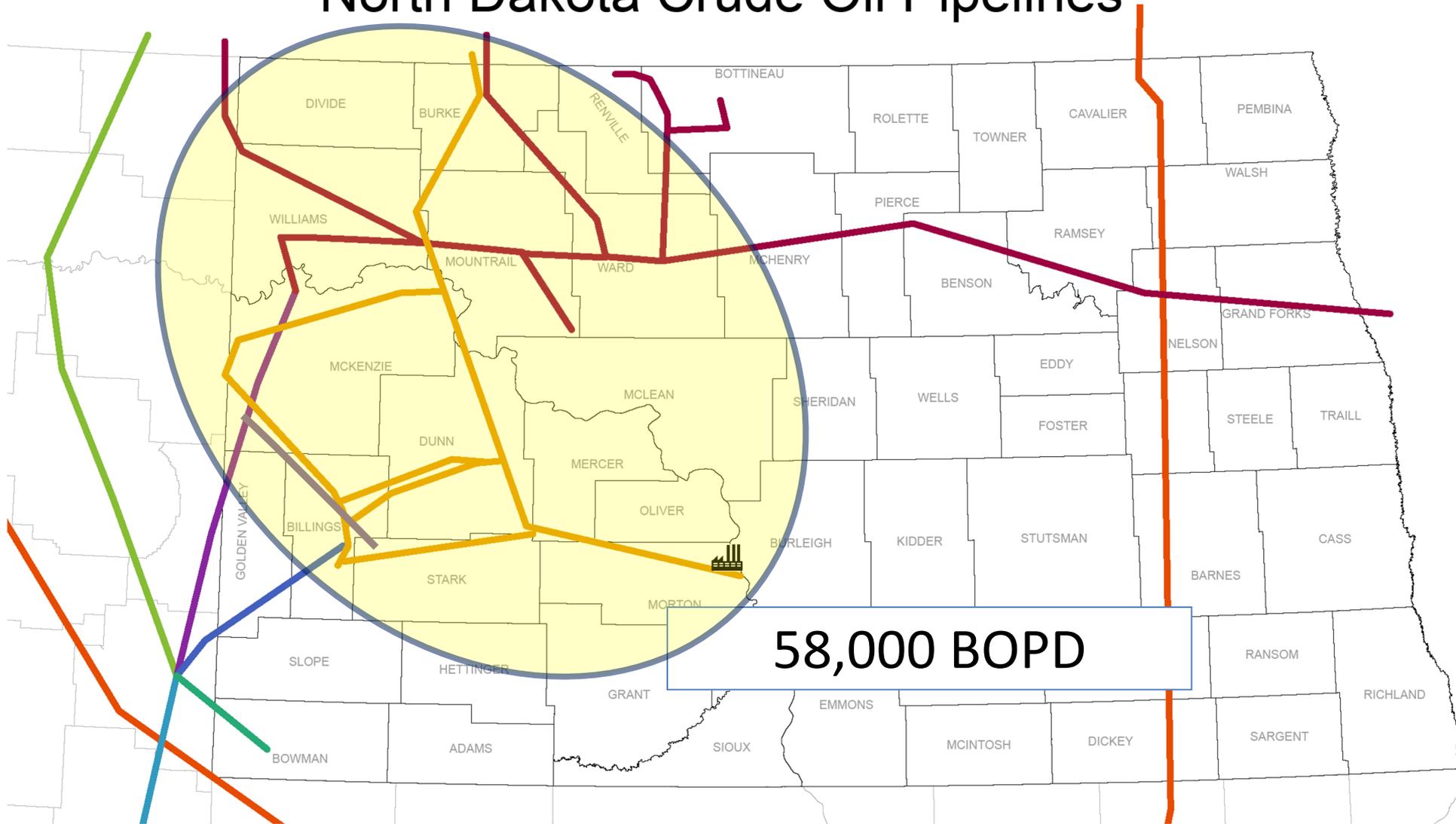
*Production forecast is for visual demonstration purposes only and should not be considered accurate for any near or long term planning.

North Dakota Crude Oil Pipelines



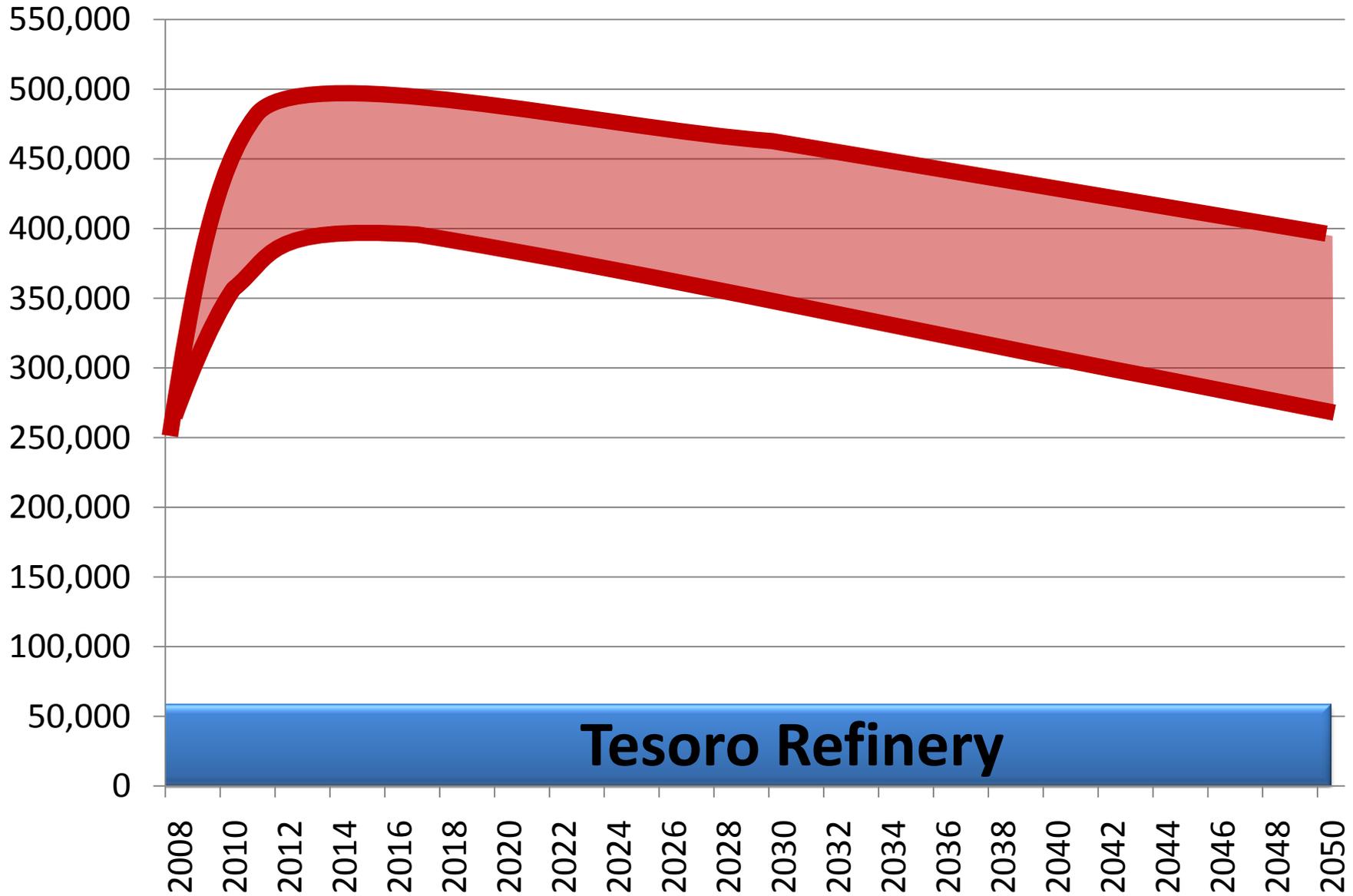
*Modified from Bridger and Belle Fourche Pipelines

North Dakota Crude Oil Pipelines



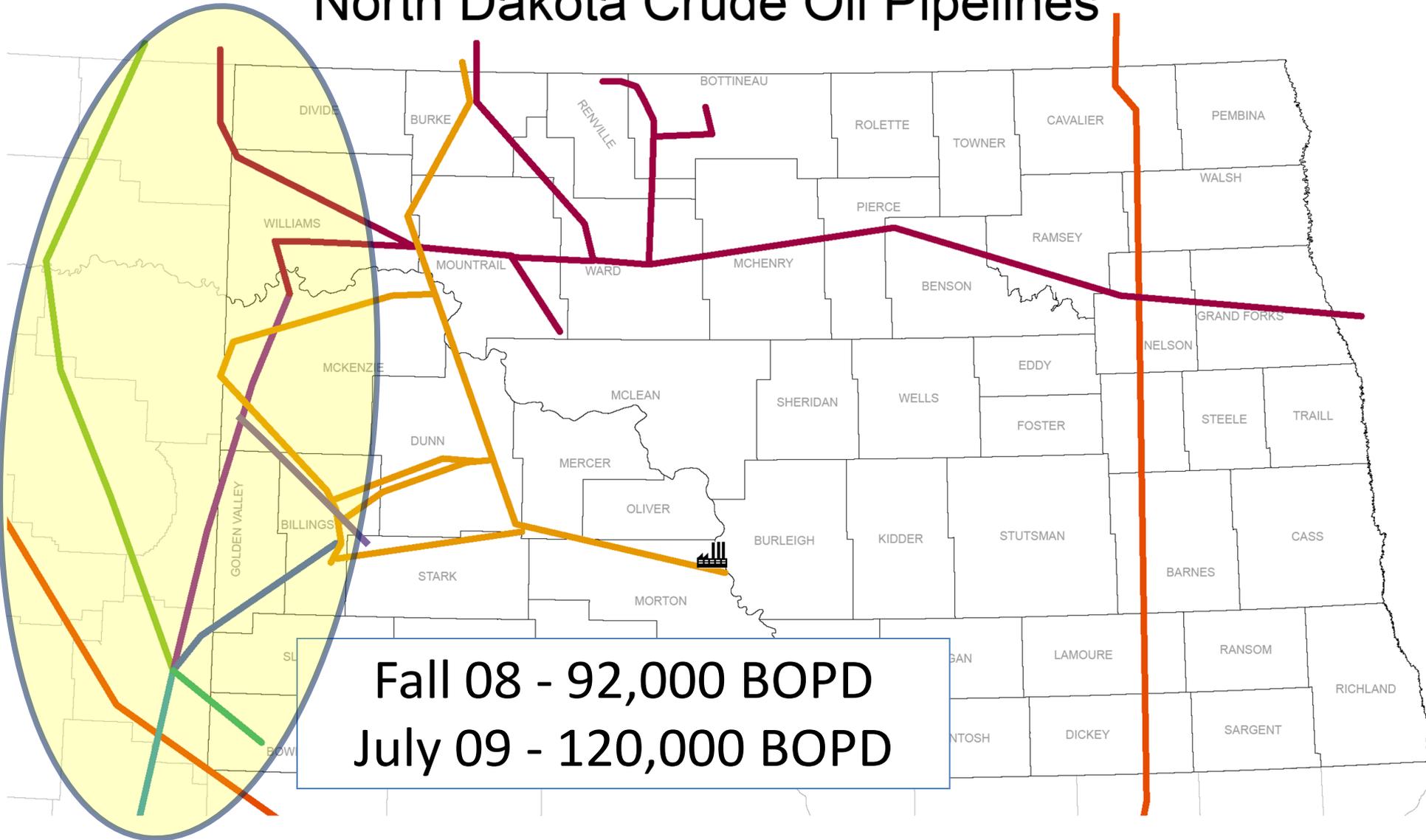
- Tesoro
- Bridger
- Enbridge
- Plains
- Tesoro Mandan Refinery
- Belle Fourche
- Butte
- Little Missouri
- TransCanada

Williston Basin Production* & Export Capacity



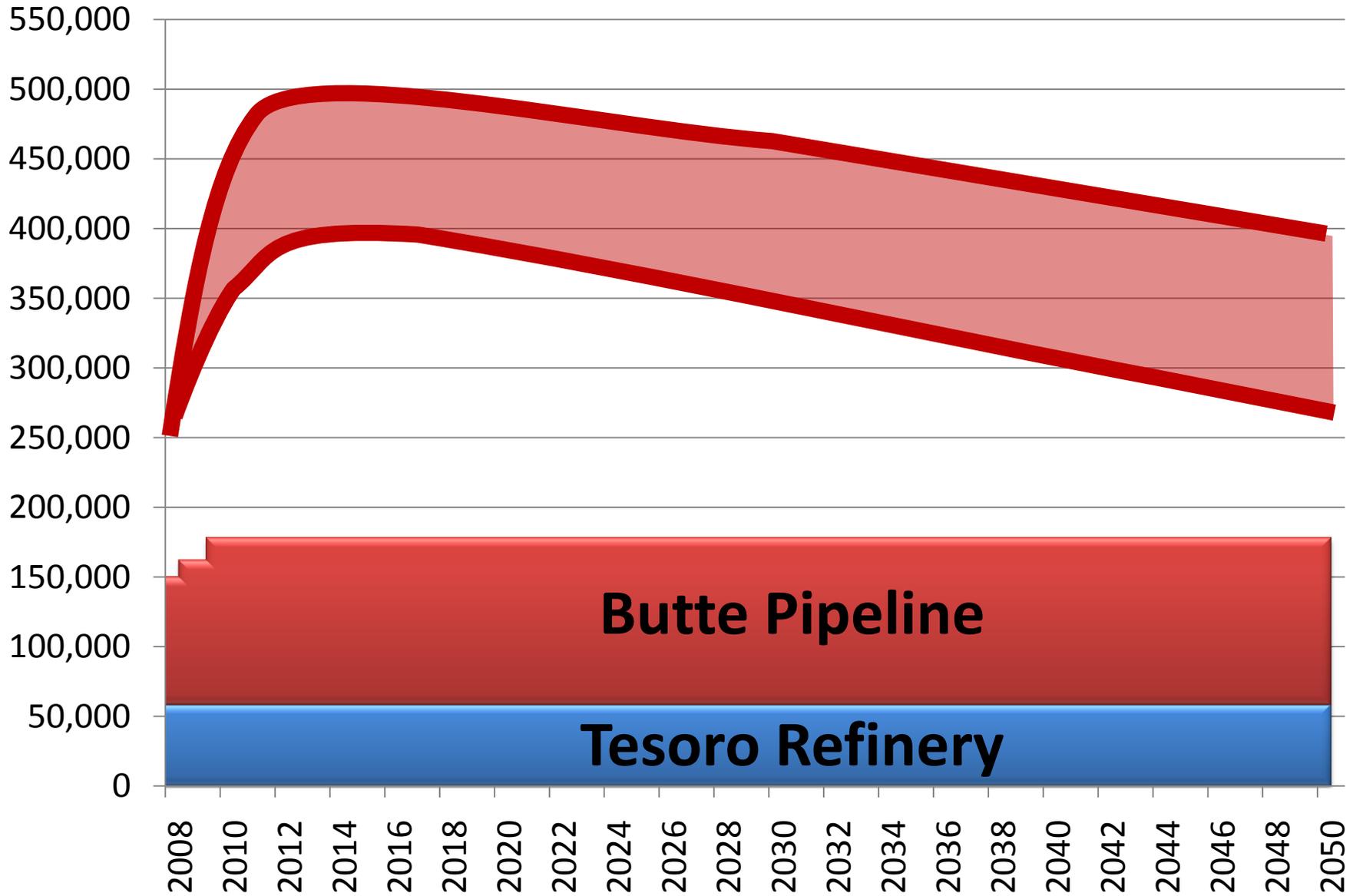
*Production forecast is for visual demonstration purposes only and should not be considered accurate for any near or long term planning.

North Dakota Crude Oil Pipelines

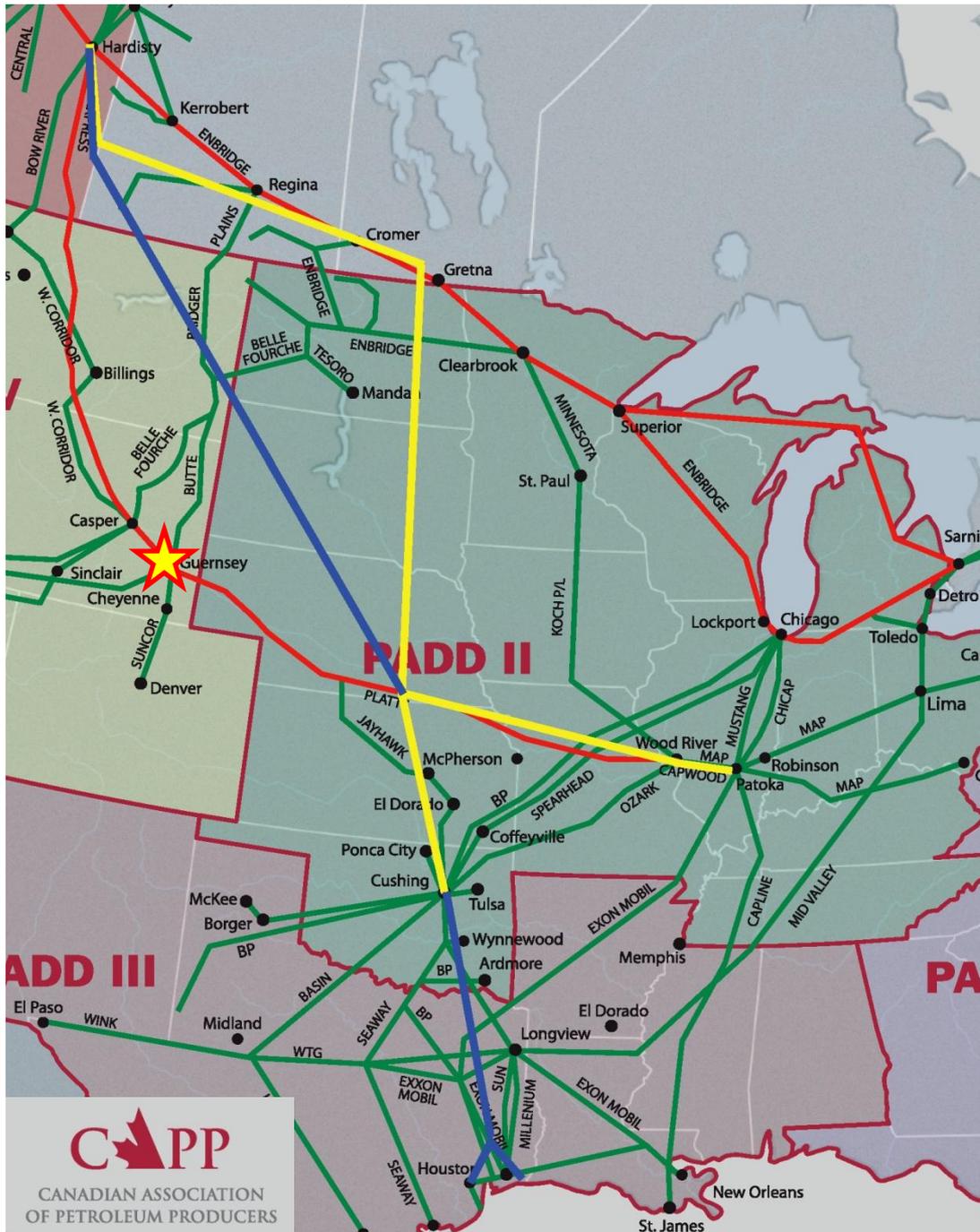


- Tesoro
- Bridger
- Enbridge
- Plains
- Tesoro Mandan Refinery
- Belle Fourche
- Butte
- Little Missouri
- TransCanada

Williston Basin Production* & Export Capacity



*Production forecast is for visual demonstration purposes only and should not be considered accurate for any near or long term planning.



**Anticipated drop in
pressure at the
Guernsey, WY hub**

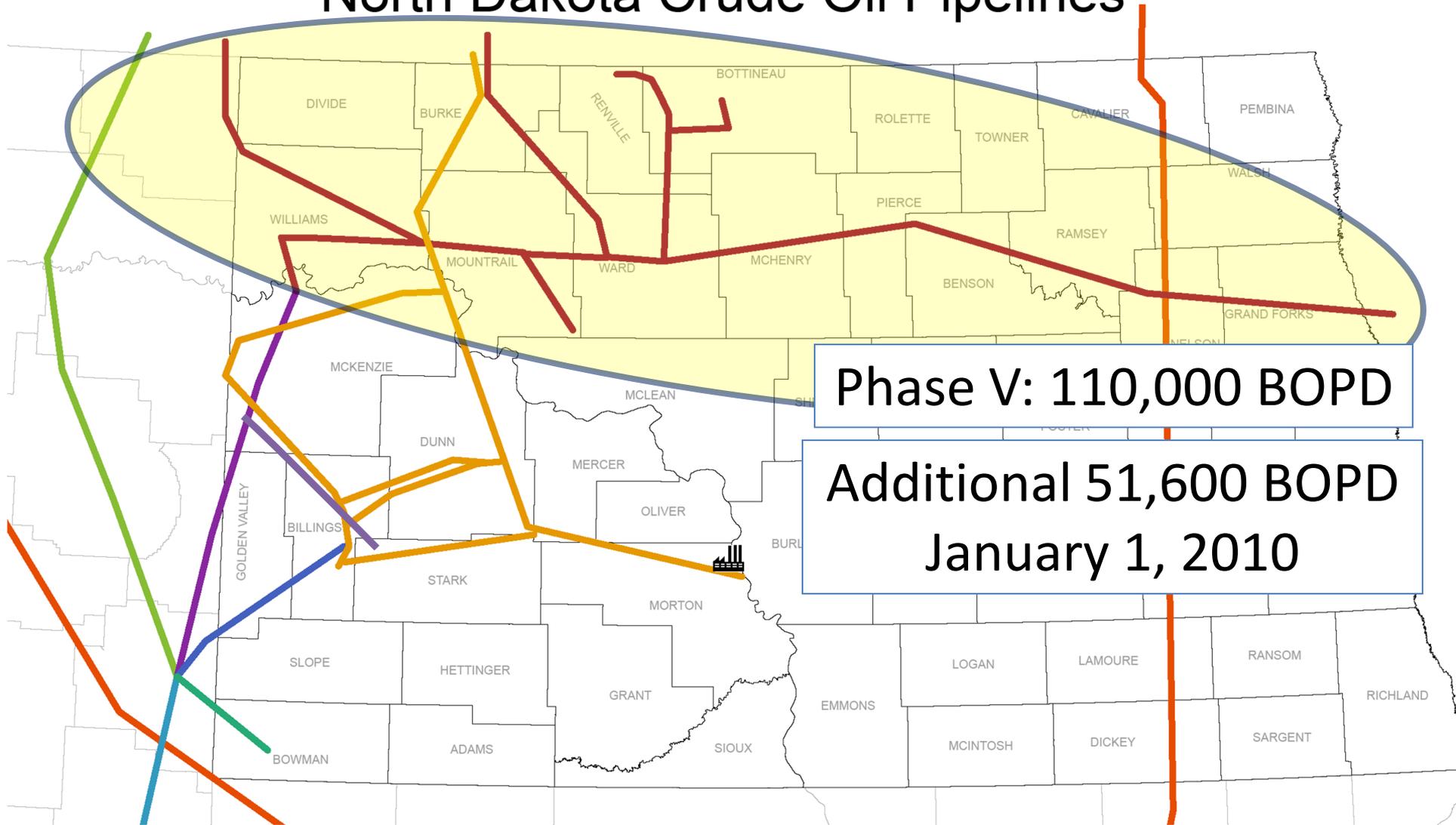
**Keystone
Q2 2010**

**Alberta Clipper
April 2010**

**Keystone XL
2012**

*Map Modified From Original
Source: CAPP*

North Dakota Crude Oil Pipelines

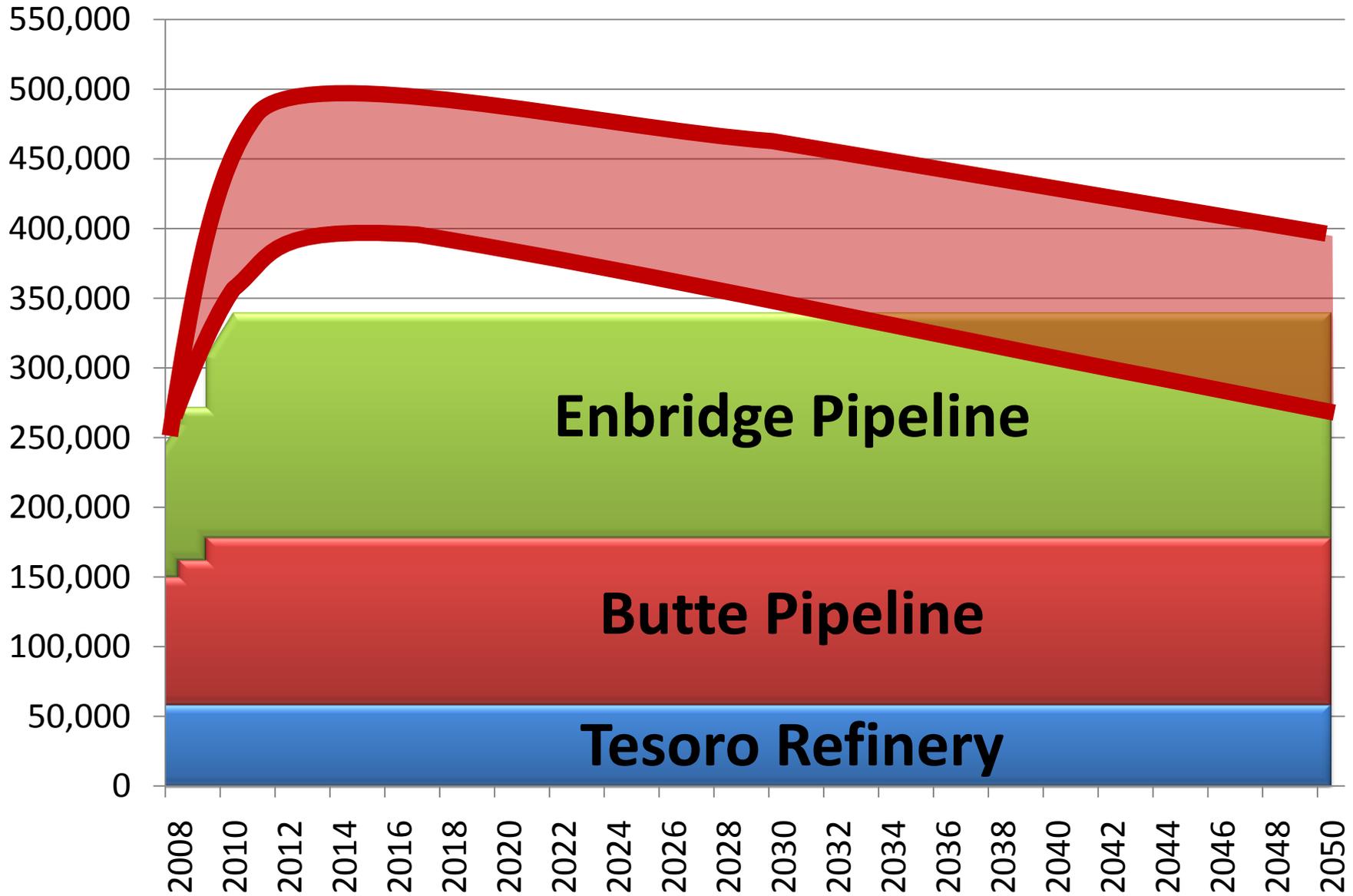


Phase V: 110,000 BOPD

**Additional 51,600 BOPD
January 1, 2010**

- Tesoro
- Bridger
- Enbridge
- Plains
- Tesoro Mandan Refinery
- Belle Fourche
- Butte
- Little Missouri
- TransCanada

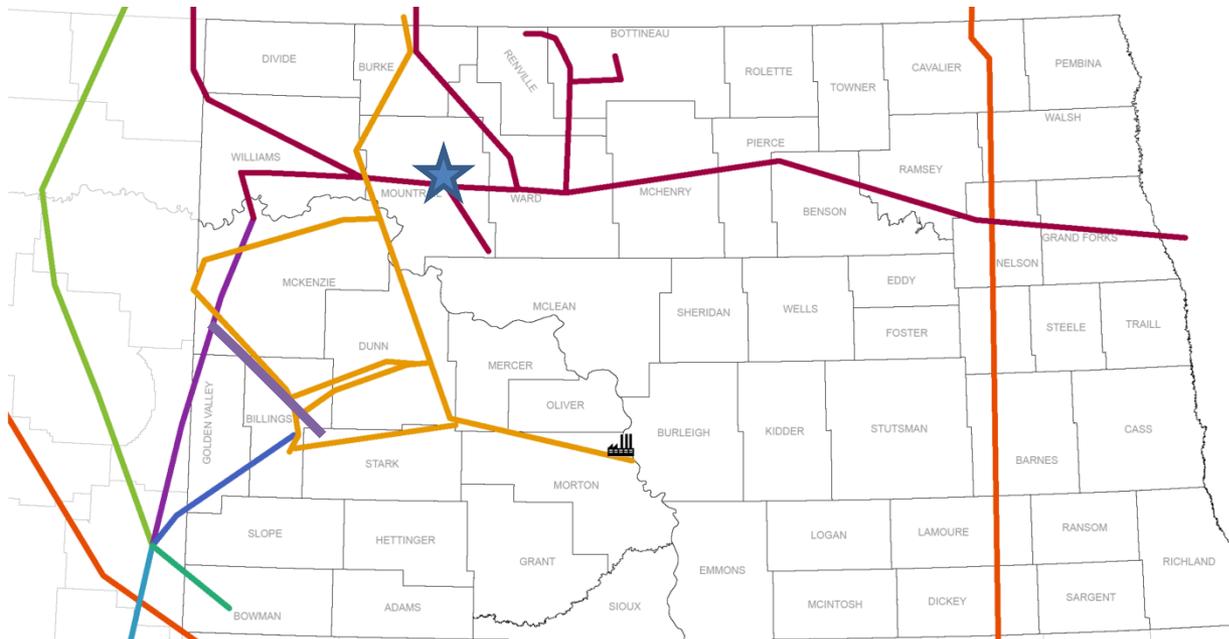
Williston Basin Production* & Export Capacity



*Production forecast is for visual demonstration purposes only and should not be considered accurate for any near or long term planning.

EOG Rail Facility Details

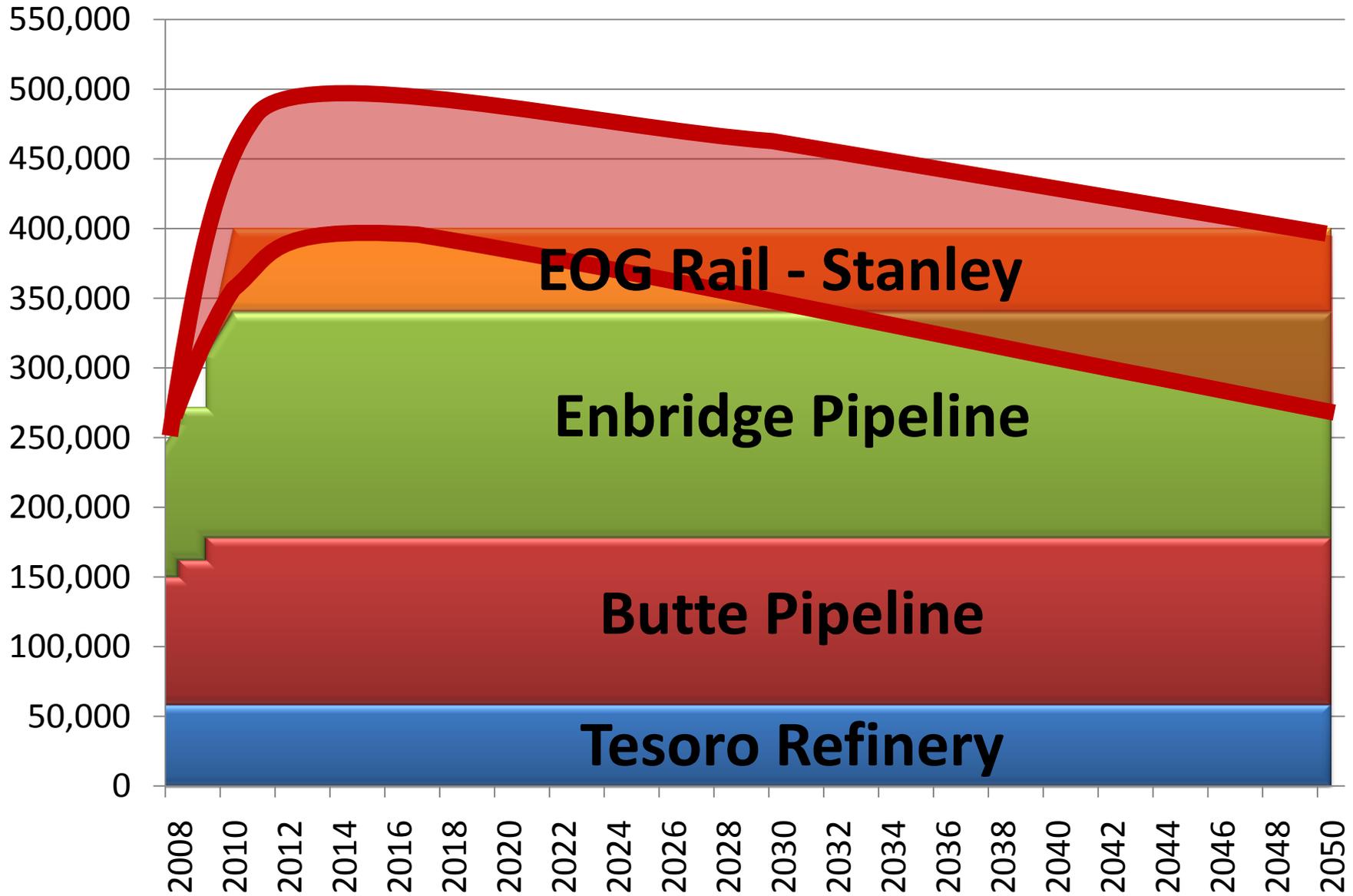
- New facility at Stanley, ND
- Two 60,000 bbl tanks constructed
- Facility will be operational Q1 - 2010





**Images Provided By:
EOG Resources**

Williston Basin Production* & Export Capacity



*Production forecast is for visual demonstration purposes only and should not be considered accurate for any near or long term planning.

Several Exciting Developments For Post 2010 Crude Oil Transport

Enbridge BPEP

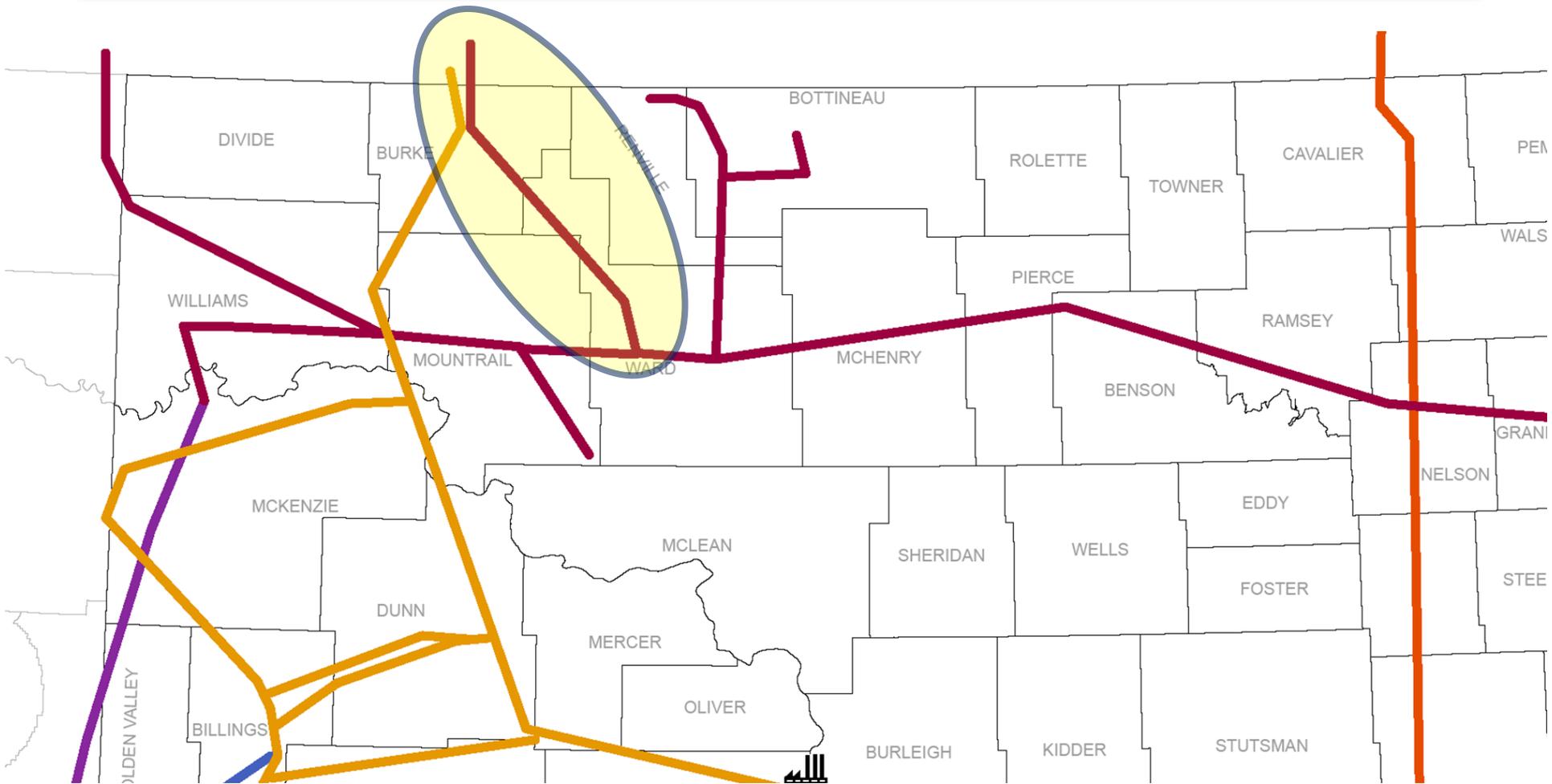
Kinder Morgan Bakken Crude Project

Keystone Interconnect Feasibility Study

NuStar Energy

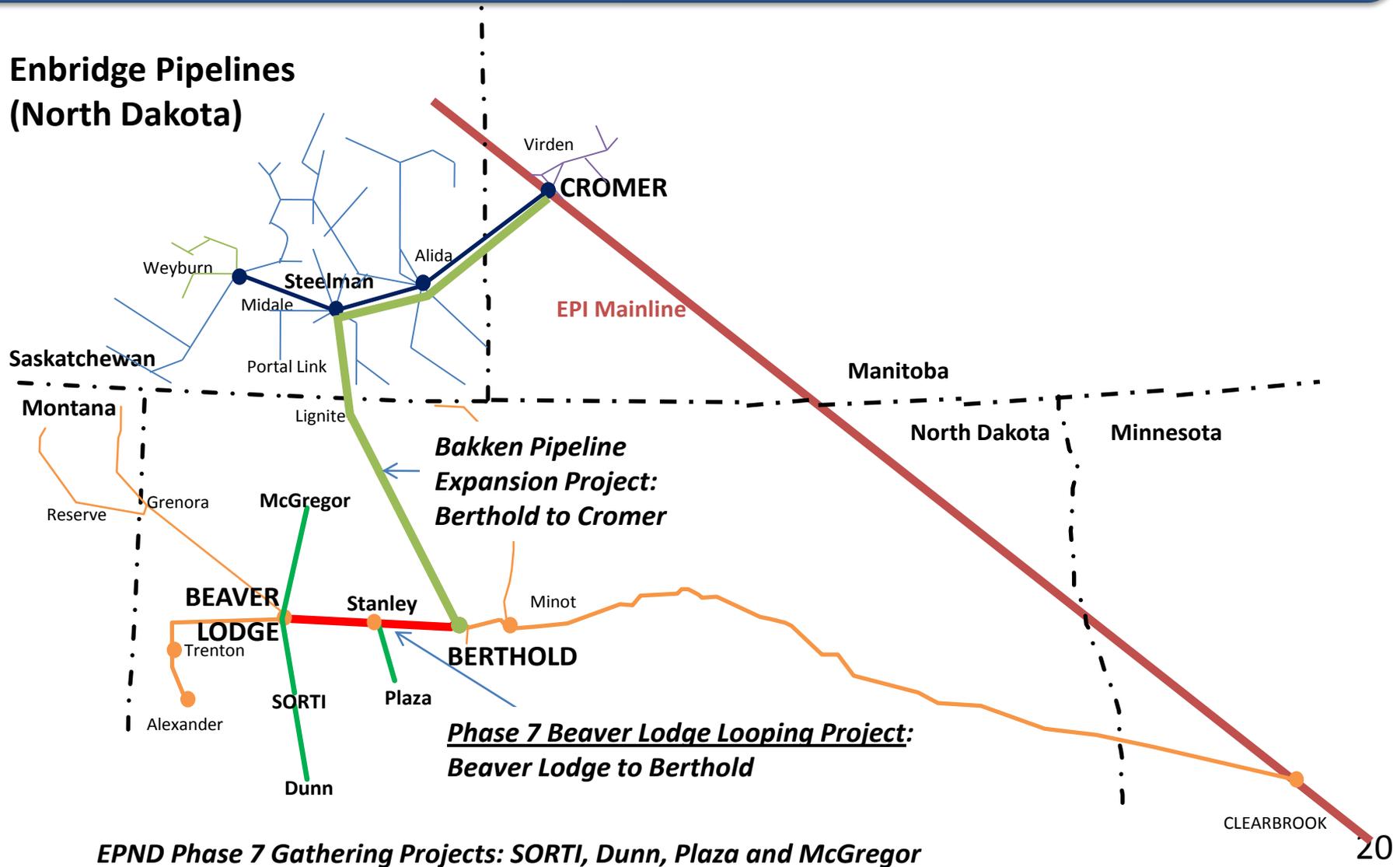
Others Still Looking at Opportunities

Enbridge BPEP (Bakken Pipeline Expansion Project)



Potential Bakken Pipeline Expansion

Enbridge Pipelines (North Dakota)

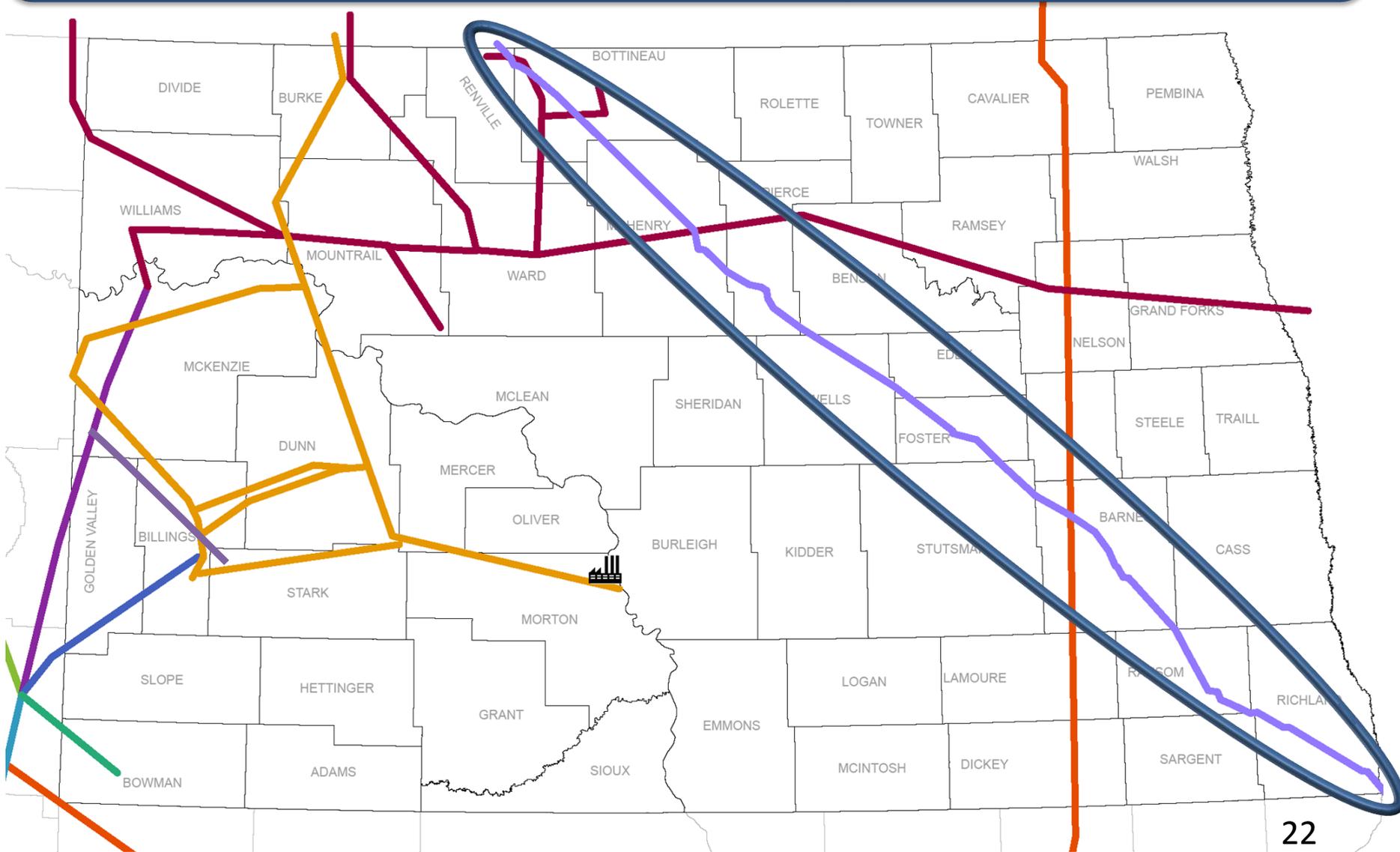


EPND Phase 7 Gathering Projects: SORTI, Dunn, Plaza and McGregor

Enbridge BPEP Details

- Project out for non-binding indications of interest from potential shippers
- Gathering pipelines could be in-service Q3 2011
- Beaver Lodge looping could provide up to 115,000+ BOPD into Cromer, MB by Q3 2012

Kinder Morgan Bakken Crude Project



Kinder Morgan Bakken Crude Project

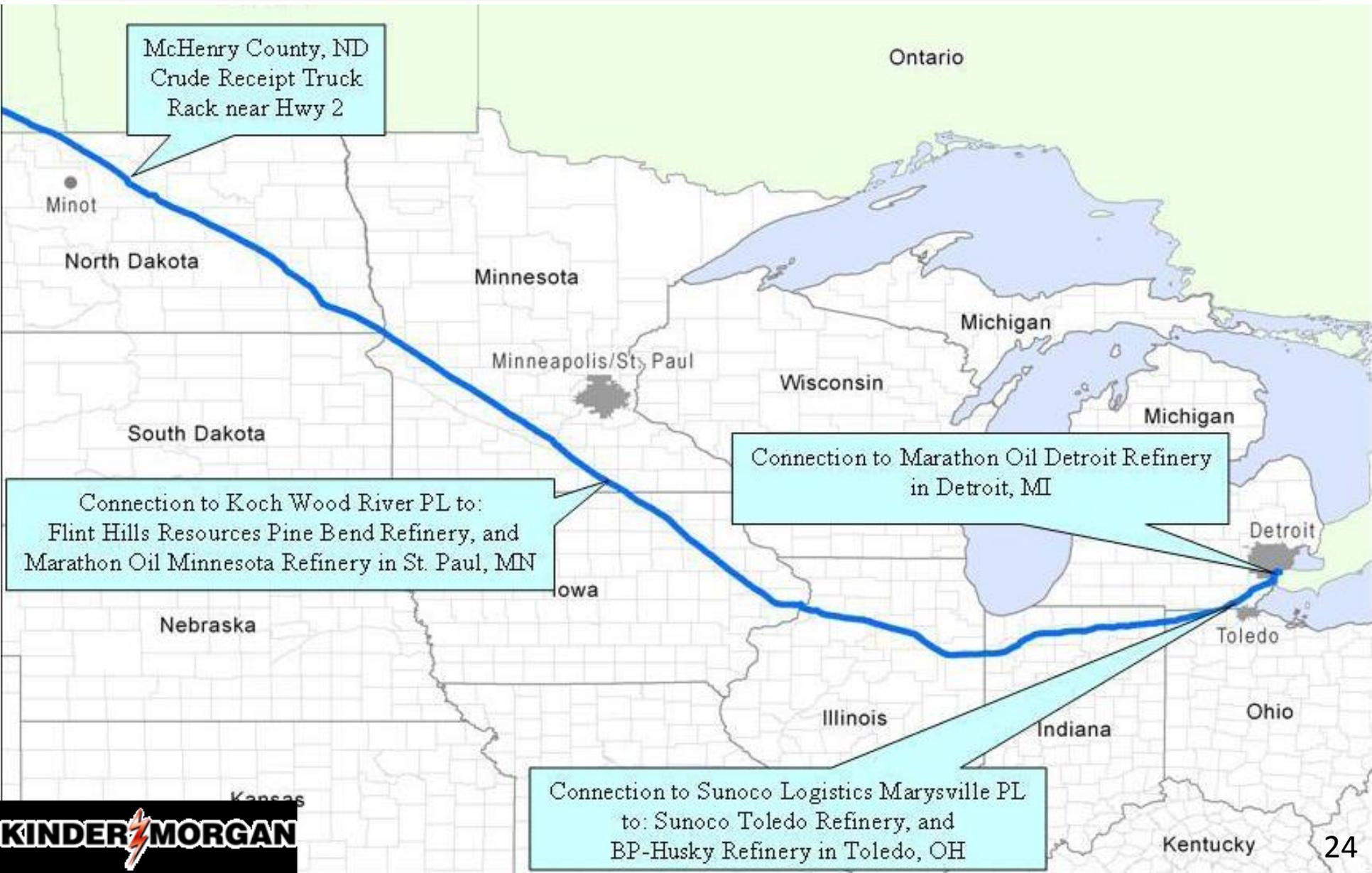
Propane

Lt. Sweet
Bakken
Crude

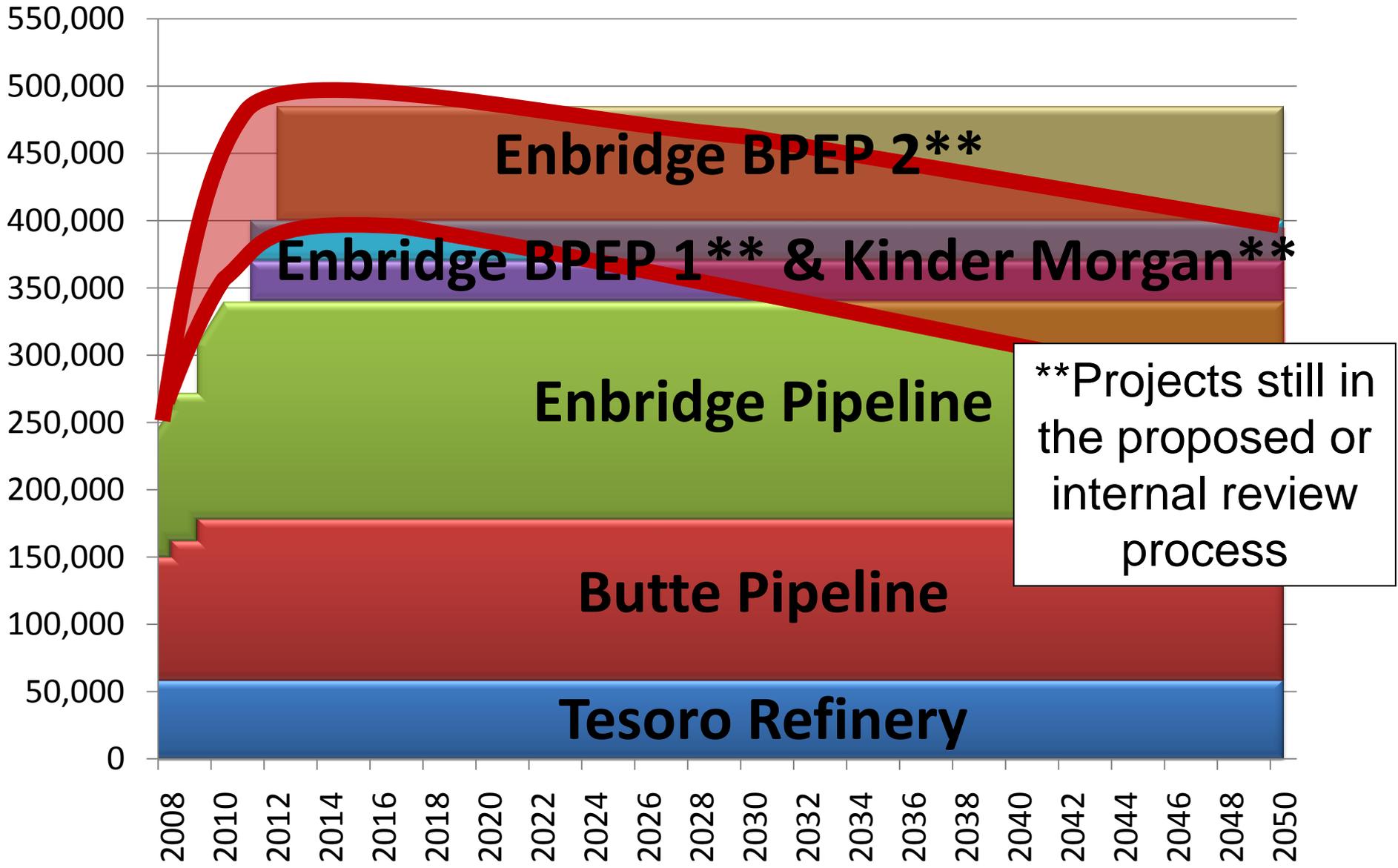
Propane

Natural
Gasoline

Kinder Morgan Bakken Crude Project



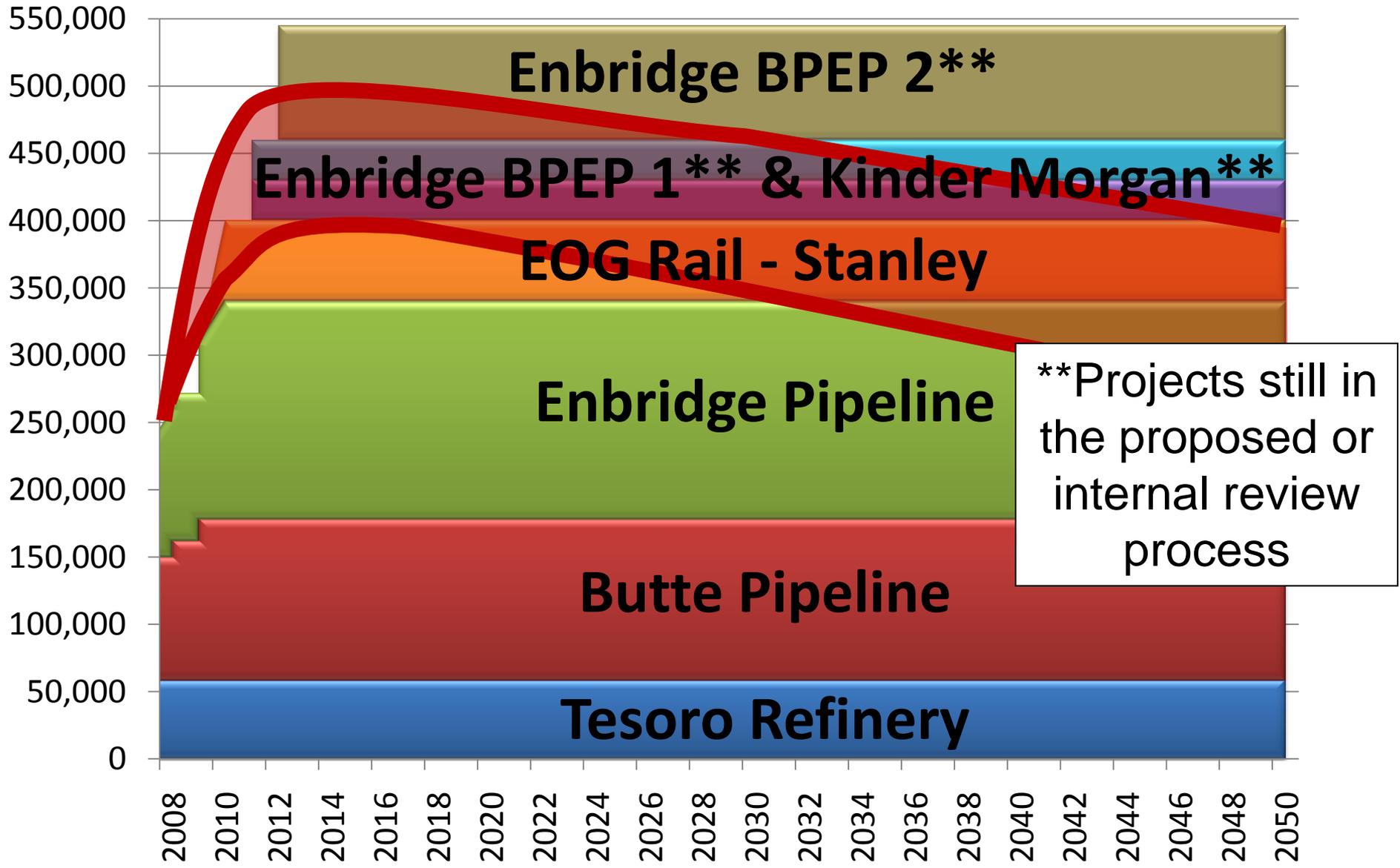
Williston Basin Production* & Export Capacity



**Projects still in the proposed or internal review process

*Production forecast is for visual demonstration purposes only and should not be considered accurate for any near or long term planning.

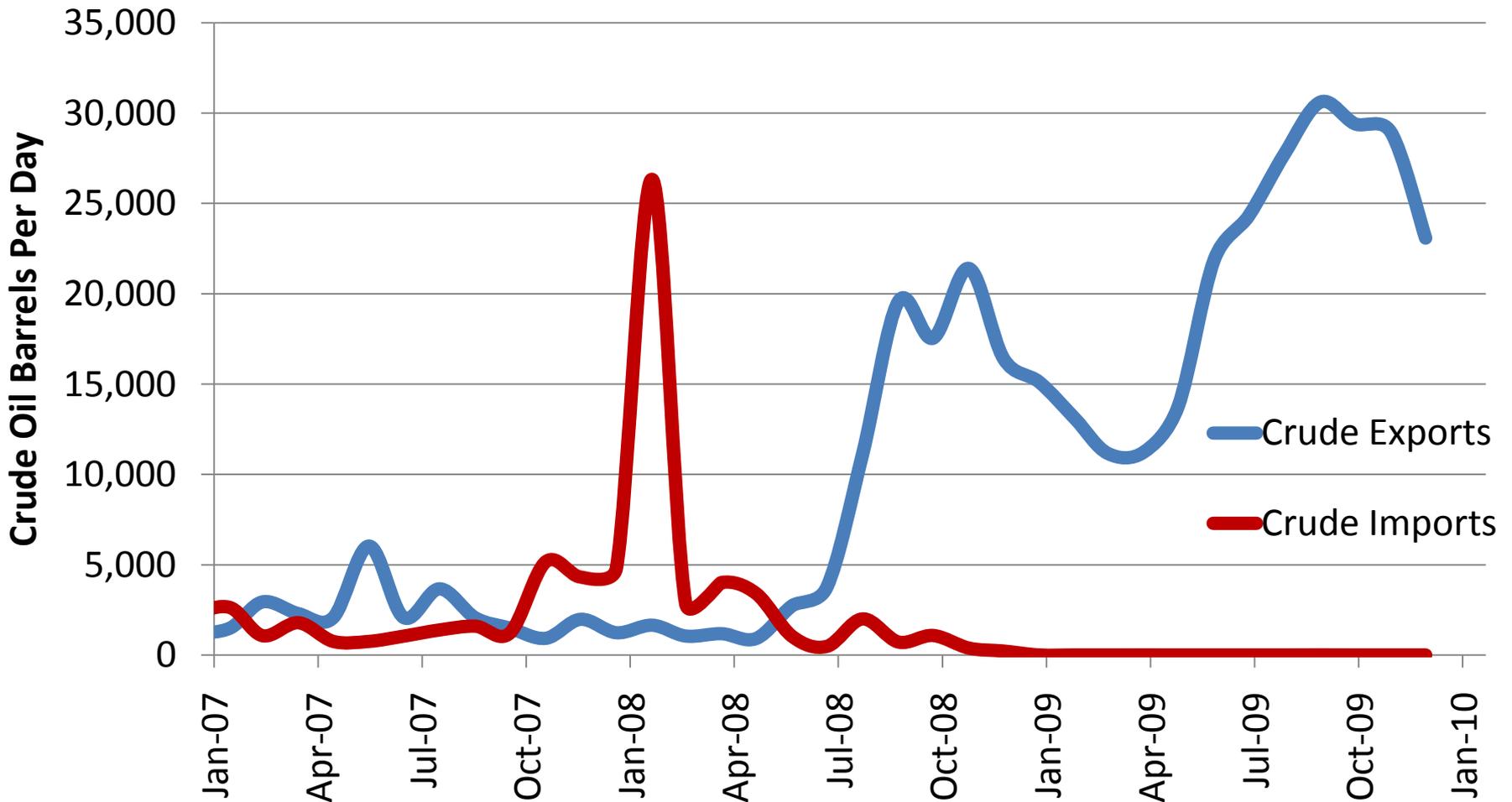
Williston Basin Production* & Export Capacity



**Projects still in the proposed or internal review process

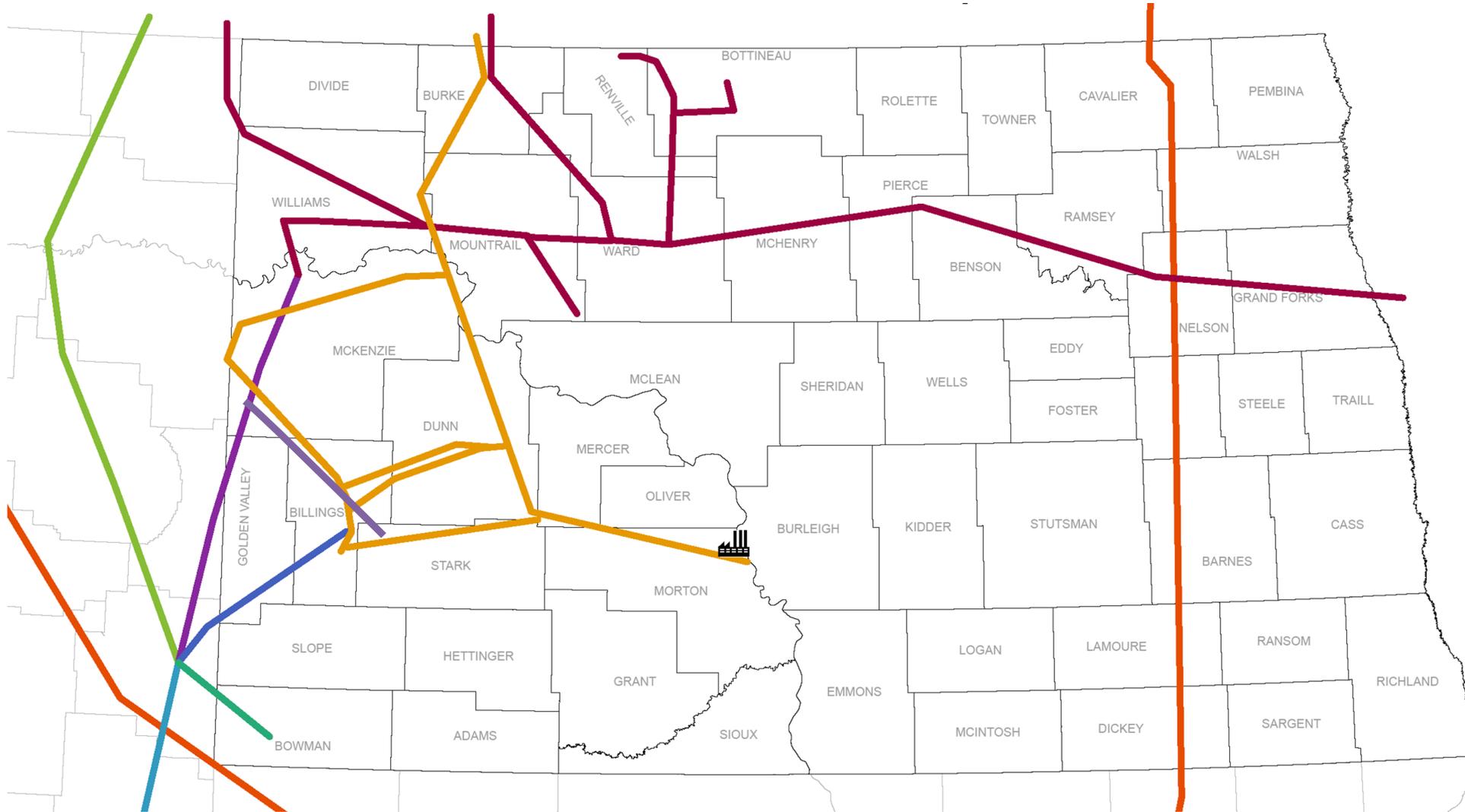
*Production forecast is for visual demonstration purposes only and should not be considered accurate for any near or long term planning.

North Dakota Truck Imports/Exports



Information collected through the United States International Trade Commission's *Interactive Tariff and Trade DataWeb*

Keystone Interconnect Study



- Tesoro
- Bridger
- Enbridge
- Plains
- Tesoro Mandan Refinery
- Belle Fourche
- Butte
- Little Missouri
- TransCanada



**North Dakota Industrial Commission
Crude Oil Pipeline Feasibility Study
Bakken to Keystone Pipeline System**

Study Objectives

- Route Selection
 - North, East, and Southwest route options
 - Pros & cons of each route
- Economics
 - Capital costs
 - Operating costs
- Address quality concerns
- Determine project timeline(s)
- Propose a shipping rate for the new pipeline

Items of Discussion

1. Pipeline Route Selection

Items of Discussion (Continued)

1. Pipeline Route Selection

2. Hydraulics

- System Design Parameters
 - Flow rate – 55 MBPD
(55,000 barrels per day)
 - Maximum Operating Pressure (MOP) – 1480 psig
(pounds per square inch - gauge)
 - Crude Oil Viscosity – 3 centistokes
(historic data average)
 - Crude Oil Specific Gravity – 0.82
(historic data average)

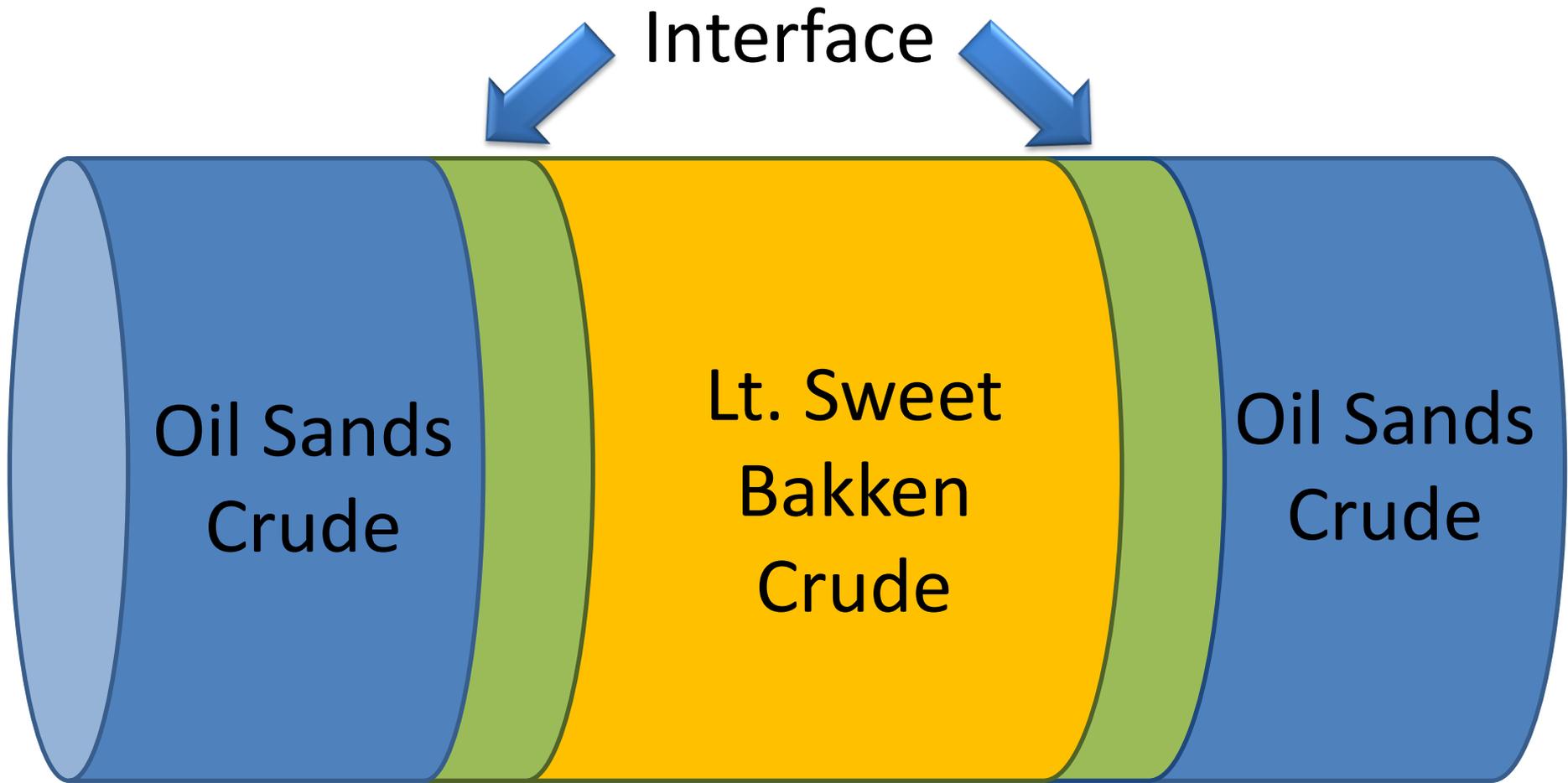
Hydraulics

Max Q at 20° F

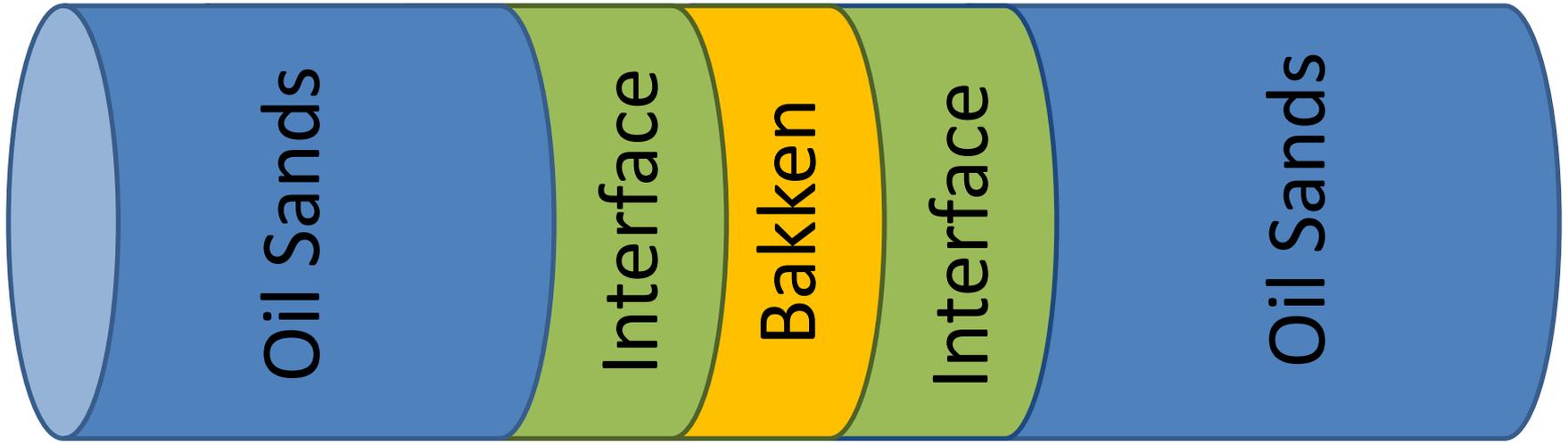
Route	10" Line	12" Line	12" Line
	4 Pumps	2 Pumps	4 Pumps
North	63 MBPD	71 MBPD	98 MBPD
West	62 MBPD	68 MBPD	95 MBPD
East	56 MBPD	61 MBPD	86 MBPD

Items of Discussion

1. Pipeline Route Selection
2. Hydraulics
- 3. Interface**



Alternative	North	East	West
Interface Volume	18,500 BBL	10,900 BBL	20,800 BBL



Larger batch sizes equals less interface volume on a percentage basis



Items of Discussion

1. Pipeline Route Selection
2. Hydraulics
3. Interface
- 4. Opinion of Cost**

Opinion of Cost

Capital Investment (million dollars)

System	10" Diameter			12" Diameter		
Route	North	East	West	North	East	West
Pipeline	\$102	\$149	\$115	\$118	\$172	\$133
Stations	\$54	\$54	\$56	\$42	\$41	\$42
Tanks	\$39	\$39	\$39	\$39	\$39	\$39
Totals	\$195	\$242	\$210	\$199	\$252	\$214

Opinion of Cost

Annual Operating Costs (million dollars)

Route	System	Operating Costs
North	10" (4 Booster Stations)	\$5.236
North	12" (2 Booster Stations)	\$3.726
West	10" (4 Booster Stations)	\$5.834
West	12" (2 Booster Stations)	\$4.120
East	10" (4 Booster Stations)	\$6.233
East	12" (2 Booster Stations)	\$4.193

Items of Discussion

1. Pipeline Route Selection
2. Hydraulics
3. Interface
4. Opinion of Cost
- 5. Economic Summary**

Economic Summary

System	Route	\$/BBL
10"	North	\$4.24/BBL
	East	\$5.24/BBL
	West	\$4.59/BBL
12"	North	\$4.22/BBL
	East	\$5.32/BBL
	West	\$4.57/BBL

Note: Tariffs are calculated based upon a 15% rate of return and 55MBPD over a 20 year life. Independent Operator needing SCADA system and upper management cost could expect a tariff of \$4.30 on 12" North Route

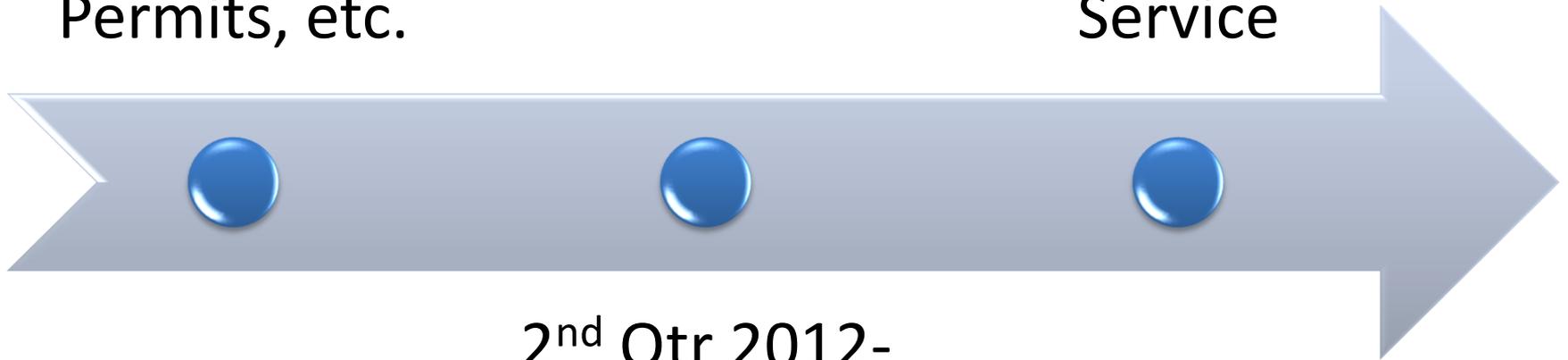
Items of Discussion

1. Pipeline Route Selection
2. Hydraulics
3. Interface
4. Opinion of Cost
5. Economic Summary
- 6. Project Schedule**

Simplified Project Timeline

3rd or 4th Qtr
2010-Design,
Permits, etc.

1st Qtr 2013-
Begin
Service

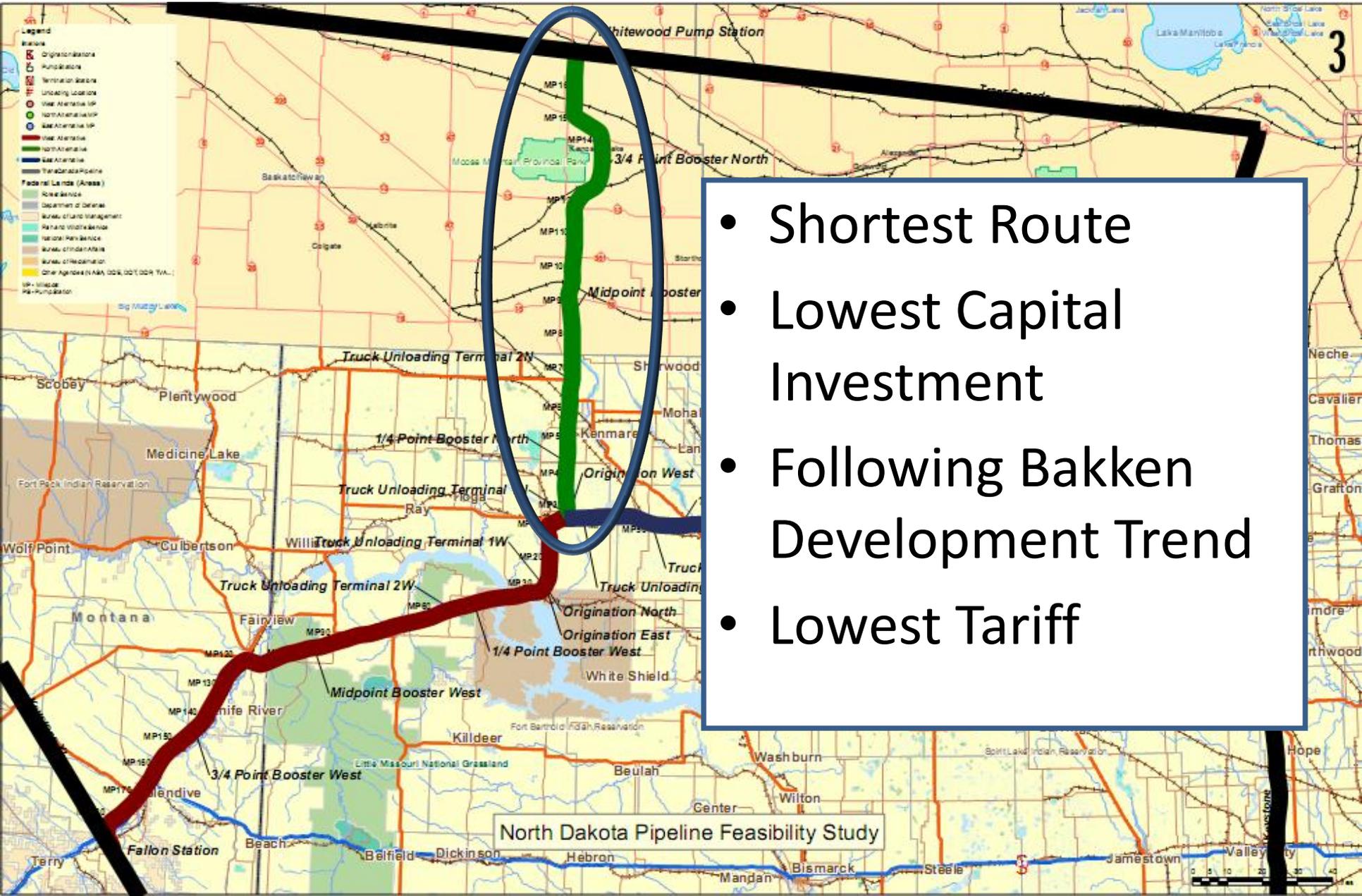


2nd Qtr 2012-
Construction

Items of Discussion

1. Pipeline Route Selection
2. Hydraulics
3. Interface
4. Opinion of Cost
5. Economic Summary
6. Project Schedule
- 7. Route Suggestion**

Study's Suggested Route



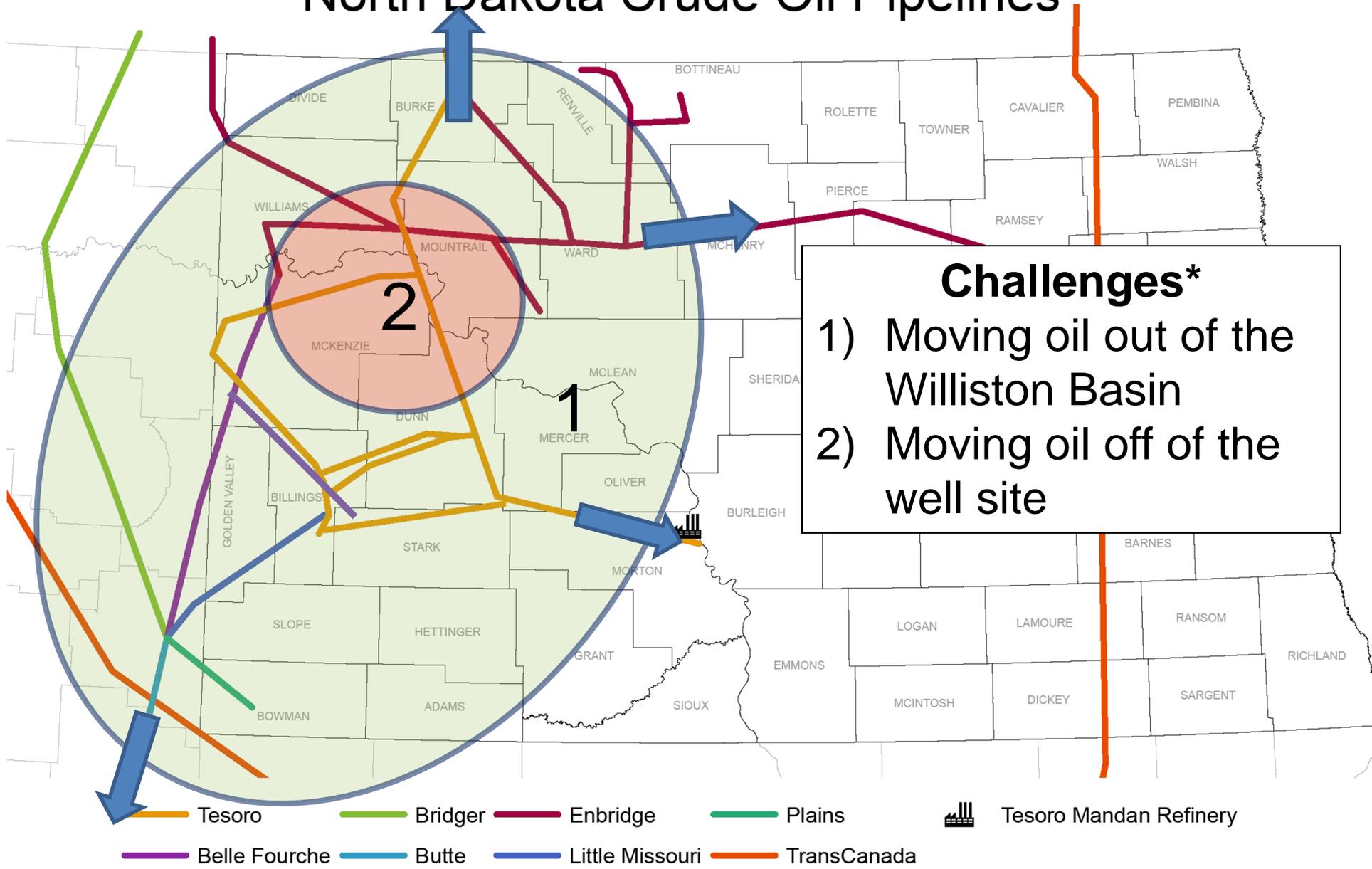
- Shortest Route
- Lowest Capital Investment
- Following Bakken Development Trend
- Lowest Tariff

Study Overview

Route	North		East		West	
Pipeline Length	169 Miles		240 Miles		188 Miles	
System	10"	12"	10"	12"	10"	12"
System Capital Cost (Millions)	\$195	\$199	\$242	\$252	\$210	\$215
Pipeline Cost/Mi	\$602M	\$698M	\$621M	\$715M	\$615M	\$707M
Ops Cost (\$/bbl)	\$0.26	\$0.19	\$0.31	\$0.21	\$0.26	\$0.21
Tariff @ 15% IRR (\$/BBL)	\$4.24	\$4.22	\$5.25	\$5.32	\$4.59	\$4.57
Interface Volume*	18.5MBBL		10.9MBBL		20.8MBBL	

*Interface Volume per Batch Shipped on TransCanada/Keystone Pipelines

North Dakota Crude Oil Pipelines



*Modified from Bridger and Belle Fourche Pipelines



INDUSTRIAL COMMISSION OF NORTH DAKOTA
 NORTH DAKOTA PIPELINE AUTHORITY
 Governor **John Hoeven**
 Attorney General **Wayne Stenehjem**
 Agriculture Commissioner **Doug Goehring**
 Director **Justin J. Kringstad**

The Pipeline Publication

Keeping North Dakota Connected

Volume II Issue IV - December 2009

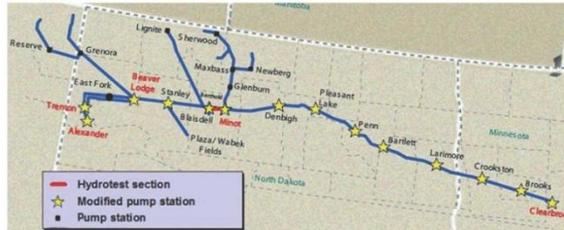
Greetings

Season's Greetings from the North Dakota Pipeline Authority! While the temperature in North Dakota is dropping fast, the activity in North Dakota's oilfields is heating up. With more rigs moving into the basin, improved well completion techniques, and quicker spud to spud times, North Dakota petroleum production is expected to grow for many years to come. Along with the growing crude oil production, several exciting transportation expansion projects are very near completion, with many more in the works. For additional project information, past newsletters, maps, reports, and more please visit the Pipeline Authority website, www.pipeline.nd.gov.

Enbridge Phase VI Expansion Update

The much anticipated Enbridge Phase VI Expansion is nearly complete. Scheduled to be in service on January 1, 2010, the expansion will increase Enbridge's mainline capacity to Clearbrook, MN from 110,000 barrels per day (BOPD) to 161,600 BOPD. Once complete, Enbridge North Dakota will have more than doubled its 2007 system capacity of 80,000 BOPD.

More good news is that Enbridge has no intentions of stopping at 161,600 BOPD and is actively working to gain support from interested shippers for the proposed Portal Reversal Expansion Project or PREP. As proposed, PREP would allow Enbridge to transport an additional 30,000 BOPD by 2011 and up to an additional 115,000 BOPD by 2013.



Details of Enbridge's Phase VI Expansion.
 Source: Enbridge Pipelines LLC - www.enbridge-expansion.com

North Dakota Statistics

	Aug-09	Sept-09	Oct-09
Average Daily Oil Production, BOPD	232,355	238,265	239,067
Average Daily Gas Production, MMCFD	266.66	259.76	253.04
Wells Producing	4,545	4,579	4,606
Average Rig Count	45	51	56

As of December 16, 2009, there are 77 active rigs in North Dakota.

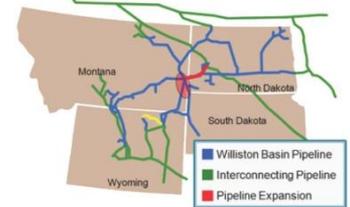
www.pipeline.nd.gov

Prairie Rose Pipeline Nears Completion

An unexpected construction specification change has delayed the startup of the Pecan Prairie Rose Pipeline until Mid-January, 2010. The new 75 mile, 12 inch pipeline is designed to transport up to 80 million cubic feet of unprocessed natural gas per day from Mountrail County to an interconnect with the Alliance Pipeline near Towner, ND.

Proposed Baker Storage Enhancement

Williston Basin Interstate Pipeline Company is developing a project to increase firm deliverability from its Baker gas storage field in eastern Montana. With current firm storage withdrawal rates of 115 million cubic feet per day (MMCFD), Williston Basin sees an opportunity to add an additional 125 MMCFD of firm withdrawal capacity, which would more than double the firm withdrawal rate from Baker. Along with the gas storage field upgrades, Williston Basin is planning a pipeline expansion to transport the increased, firm storage volumes to an interconnect with the Northern Border Pipeline in North Dakota. The project has a proposed in-service date of 2012 and an open season is expected in January 2010.



Source: Williston Basin Interstate Pipeline Co.

Natural Gas Storage Explained

During the mid 1900's, natural gas grew in popularity as a winter heating fuel. As a result, natural gas markets began experiencing seasonal demand swings that needed to be managed using underground storage operations. Depleted natural gas fields are most often targeted for storage due to existing infrastructure and reservoir knowledge. During the summer months when demand is low, natural gas is injected into storage and when demand increases in the winter months, natural gas is withdrawn for consumer use.



ND Pipeline Authority

State Capitol 14th Floor • 600 E. Boulevard Ave. Dept. 405 • Bismarck, ND 58505-0840
 Phone: (701) 220-6227 • Fax: (701) 328-2820
 E-mail: jjkringstad@gmail.com • www.pipeline.nd.gov

North Dakota Pipeline Authority
 State Capitol, 14th Floor
 600 E. Boulevard Ave. Dept. 405
 Bismarck, ND 58505-0840





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» ABOUT PIPELINES

"Pipelines are really the energy lifelines of almost every daily activity. Pipelines play a role in everyone's lives and are essential to the nation's industries. Yet few people are aware of the work done by the country's 200,000-mile petroleum pipeline network that delivers the products that are integral parts of America's economy. It is a network that delivers the nation's crude oil and petroleum products (such as gasoline, jet fuel, home heating oil) reliably, safely, efficiently, and economically." ~ Pipeline 101

To learn more about pipeline operations, safety, construction, and more, please visit:



Supply Line Video



• Video provided by AOPL » www.aopl.org

AOPL
Association of Oil Pipe Lines

Thank You!

North Dakota Pipeline Authority

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Fax: (701)328-2820

E-mail: jjkringstad@gmail.com



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Call before you dig.

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